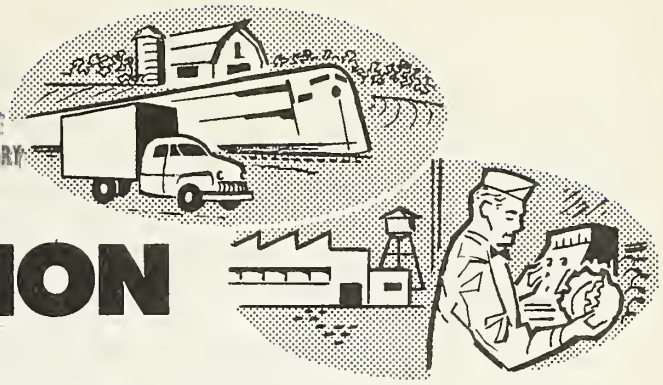
MARKETING and TRANSPORTATION SITUATION



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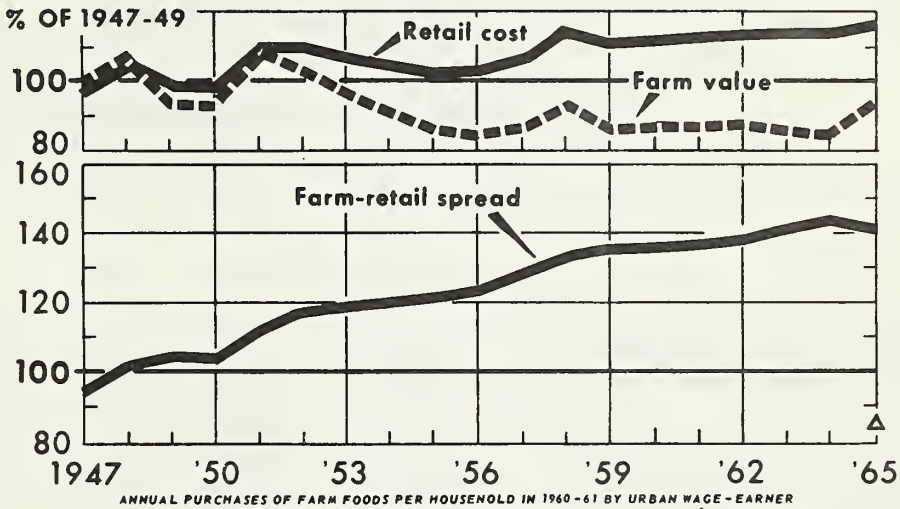
Most of the increase in 1965 in the farm value (returns to farmers) from the products in the market basket resulted from higher prices for meat animals. Production of red meats was about 3 percent smaller in 1965 than in 1964. Prices of most other products also were higher in 1965.

Marketing spreads decreased for 5 of the 7 product groups in the market basket. However, the meat products group accounted for most of the decrease in 1965 in the spread between the retail cost and farm value of the market basket. Marketing spreads for meat products frequently decline when prices of meat animals go up rapidly.

RETAIL COST FOR MARKET BASKET, FARM VALUE, AND SPREAD



ANNUAL PURCHASES OF FARM FOODS PER HOUSEHOLD IN 1960-61 BY URBAN WAGE-EARNER AND CLERICAL-WORKER FAMILIES AND SINGLE WORKERS LIVING ALONE. Δ PRELIMINARY.

U. S. DEPARTMENT OF AGRICULTURE NEG. ERS 2638X-66 (1) ECONOMIC RESEARCH SERVICE

IN THIS ISSUE

- Changes in Livestock and Meat Marketing Industry
- Trends and Prospects in Air Shipments of Farm Commodities

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STATISTICAL SUMMARY OF MARKET INFORMATION

Item	Unit or base period	1964 Year	1964 Oct.-Dec.	1965 Apr.-June	1965 July-Sept.	1965 Oct.-Dec.
Farm-to-retail price spreads						
Farm-food market basket: 1/						
Retail cost	Dol.	1,014	1,019	1,038	1,061	1,053
Farm value	Dol.	374	379	411	419	424
Farm-retail spread	Dol.	640	640	627	642	629
Farmer's share of retail cost	Pct.	37	37	40	39	40
Cotton: 2/						
Retail cost	Dol.	2.17	2.19	2.17	2.17	2.19
Farm value	Dol.	.31	.30	.30	.29	.29
Farm-retail spread 3/	Dol.	1.86	1.89	1.87	1.88	1.90
Farmer's share of retail cost	Pct.	14	14	14	13	13
Cigarettes: 4/						
Retail cost	Ct.	29.9	---	---	---	---
Farm value	Ct.	3.85	---	---	---	---
Federal and State excise taxes	Ct.	13.0	---	---	---	---
Farm-retail spread excluding excise taxes	Ct.	13.1	---	---	---	---
Farmer's share of retail cost	Pct.	13	---	---	---	---
General economic indicators						
Consumers' per capita income and expenditures: 5/						
Disposable personal income	Dol.	2,268	2,311	2,360	2,418	2,456
Expenditures for goods and services	Dol.	2,076	2,101	2,185	2,219	2,251
Expenditures for food	Dol.	416	421	433	441	449
Expenditures for food as percentage of disposable income	Pct.	18.3	18.2	18.3	18.2	18.3
		1964 Year	1964 Dec.	1965 Oct.	1965 Nov.	1965 Dec.
Hourly earnings, production workers, manufacturing 6/	Dol.	2.53	2.58	2.63	2.65	2.66
Hourly earnings of food marketing employees 7/	Dol.	2.23	2.26	2.31	2.33	2.32
Retail sales: 8/						
Food stores	Mil. dol.	5,183	5,409	5,670	5,785	6,038
Apparel stores	Mil. dol.	1,297	1,300	1,354	1,350	1,360
Manufacturers' inventories: 8/						
Food and kindred products	Mil. dol.	6,030	6,030	5,861	5,993	6,030
Textile mill products	Mil. dol.	2,837	2,837	3,119	3,085	3,149
Tobacco products	Mil. dol.	2,359	2,359	2,328	2,268	2,388
Indexes of industrial production: 9/						
Food and beverage manufactures	1957-59=100	120.8	123.8	123.6	125.0	---
Textile mill products	1957-59=100	122.9	130.3	136.9	138.8	---
Apparel products	1957-59=100	134.1	140.6	145.7	---	---
Tobacco products	1957-59=100	120.8	125.4	114.5	---	---
Index of physical volume of farm marketings	1957-59=100	118	135	181	160	132
Price indexes						
Consumer price index 6/	1957-59=100	108.1	108.8	110.4	110.6	111.0
Wholesale prices of food 10/	1957-59=100	100.8	100.1	106.0	106.7	108.3
Wholesale prices of cotton products 6/	1957-59=100	99.6	99.4	100.8	101.0	101.2
Wholesale prices of woolen products 6/	1957-59=100	103.0	102.8	105.4	105.4	105.4
Prices received by farmers 11/	1957-59=100	98	97	103	103	107
Prices paid by farmers, interest, taxes, and wage rates 11/	1957-59=100	107	107	110	110	111

1/ Contains average quantities of farm-originated foods purchased annually per household in 1960-61 by wage-earner and clerical-worker families and single workers living alone. Estimates of the farmer's share do not allow for direct Federal payments to producers, except for the value of wheat marketing certificates. 2/ Data for average family purchases in 1950 of 25 articles of cotton clothing and housefurnishings divided by number of pounds of lint cotton required for their manufacture; see U.S. Dept. Agr. Mktg. Res. Rpt. 277. 3/ Farm-retail spread does not include Federal payments made through issuance of payment-in-kind certificates to domestic users of eligible U.S. raw upland cotton. This payment amounted to 6.5 cents per pound of raw cotton from April 1964, through June 1965, and 5.75 cents beginning in August, 1965. 4/ Data for package of regular-sized popular brand cigarettes; farm value is return to farmer for 0.065 lb. of leaf tobacco of cigarette-types; data for year ended June 30, 1965. 5/ Seasonally adjusted annual rate, calculated from Dept. of Commerce revised data. 6/ Dept. Labor. 7/ Weighted composite earnings in food processing, wholesale trade, retail food stores, calculated from data of Dept. Labor. 8/ Seasonally adjusted, Dept. Commerce. Sales data for 1964 are averages of monthly totals (unadjusted). Inventory data for 1964 are book values at end of year (adjusted). 9/ Seasonally adjusted, Board of Governers of Federal Reserve System. 10/ Fresh and dried fruits and vegetables, eggs, and processed foods; Dept. Labor. 11/ Converted from 1910-14 base.

THE MARKETING AND TRANSPORTATION SITUATION

Approved by the Outlook and Situation Board February 4, 1966

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SUMMARY

The farm-retail spread for the "market basket" of farm-originated foods declined 1 percent in 1965, the first contraction since 1950. Most of the decrease resulted from sharp reductions in spreads for meat products during the spring and late fall, when prices of meat animals were rising. Farm-retail spreads for meat products often decrease when prices of meat animals go up rapidly. Spreads also declined moderately for most dairy products, eggs, many fruits and vegetables, and sugar.

Prices of goods and services (not including raw materials, labor, and hired transportation) bought by food marketing firms averaged slightly higher in 1965 than in 1964. Transportation rates apparently averaged about the same in both years. Hourly earnings of food marketing employees averaged about 3 percent higher in 1965. However, improvements in output per man-hour may have offset the effect of higher hourly earnings. Marketing firms probably realized economies in overhead costs from fuller utilization of plants and other facilities. Profits per dollar of sales by food processing companies and leading retail food chains apparently increased little in 1965--a year of generally rising profit rates for most industries. Profits per dollar of sales of leading meatpacking companies declined.

The farm-retail spread of the market basket of farm foods is expected to widen some in 1966. Much of the increase will be in spreads for meats as larger pork production reduces prices later in the year.

Prices received by farmers for food products in the market basket averaged about 9 percent higher in 1965 than in 1964. The total farm value of these products rose to the highest level since

1951. A 22 percent increase in the farm value of the meat products group accounted for most of the rise. Farm prices of most products averaged higher in 1965 than in 1964, and increases were sharp for potatoes, some fresh vegetables, and soybeans, as well as for meat animals.

The retail cost of market basket foods rose almost 3 percent from 1964 to 1965. Meat products, potatoes, and fresh vegetables accounted for most of the increase. Retail prices of oranges, grapefruit and frozen concentrated orange juice were down significantly.

In 1965, the farmer received an average of 39 cents of the consumer's farm food dollar, 2 cents more than in 1964. This is the first increase since 1960 and the largest since 1951.

Consumer expenditures for food averaged $436 per person in 1965, up nearly 5 percent from 1964 and up 24 percent from 1955. Per capita disposable income increased more than 5 percent from 1964 to an average of $2,391, some 44 percent above 1955. Consumers spent 18.2 percent of their disposable income for food in 1965, about the same percentage as in 1964. Over the past 10 years expenditures for food have not risen as much as income, so the percentage spent for food declined from 21.1 percent in 1955. The percentage spent for clothing and shoes also declined slightly from 1955 to 1965.

Highlights of Special Articles

Structural Changes in Livestock and Meat Marketing Industry, p. 15--The livestock slaughtering and meat processing industries have been greatly changed in recent years by: (1) A shift in slaughtering to plants located in livestock-producing areas, (2) increased specialization by plants in slaughtering or meat processing, and (3) a decline in the proportion of slaughtering performed by the leading meatpacking firms. These changes have been brought about by developments in transportation, in the marketing of livestock, and in techniques and equipment used in slaughtering meat animals.

Recent Trends and Prospective Developments in Air Shipments of Agricultural Commodities, p. 18.--Air shipments of fresh fruits and vegetables are increasing. Some of the major airlines reported they carried more than 4 times as many fruits and vegetables in 1965 as in 1961. More than 1,100 carlot equivalents of strawberries moved from California by air in 1965--about 50 percent more than 1964. Cut flowers made up 41 percent of the tonnage reported. Air shipments of frozen foods, poultry and eggs, horticultural crops, and miscellaneous foodstuffs have increased as air freight rates have decreased. Rate reductions mainly have resulted from use of more cargo-carrying jets and more efficient use of equipment.

Airlines have developed containers that are of lighter weight materials. Some are shaped to permit maximum utilization of plane space. Others facilitate loading by combining many smaller shipments. Several more large air freight terminals, having improved handling equipment, were opened last year. As a result, loading and unloading time has been reduced.

Aircraft that will carry much larger loads are in the works. Rates probably will be reduced when these planes take to the air. The companies manufacturing these planes and the airlines are teaming up to sell the extra space that will be provided.

FARM-RETAIL SPREADS FOR FARM FOOD PRODUCTS

Marketing Spread Declines 1 Percent in 1965

The farm-retail spread for the "market basket" of farm-originated foods averaged $633 in 1965, about $8 less than the 1964 average (table 1). 1/ This is the first year since 1950 that the annual average marketing spread failed to widen. Farm-retail spreads have been more stable thus far in the 1960's than in the 1950's. The spread has increased an average of $4 per year since 1959 compared with an annual average increase of about $14 in the 1950's. The farm-retail spread in 1965 was 6 percent larger than that in 1957-59.

Hourly earnings of employees in food marketing firms averaged $2.30 in 1965, about 3 percent more than in 1964. However, in recent years improvements in output per man-hour have about equaled or exceeded increases in average hourly earnings, so labor costs per unit of product marketed during 1965 may not have increased. The volume of products marketed continued to grow. Thus, many firms may have realized economies in overhead costs from fuller utilization of capacity. Rail freight rates have declined in recent years and probably averaged slightly lower in 1965. Prices of containers, packaging materials, and other goods and services (not including raw materials) averaged slightly higher in 1965 than in 1964.

Profits of food manufacturing corporations averaged 2.6 percent of sales in the first 3 quarters of 1965 compared with 2.5 percent in the same period of 1964, according to a joint report by the Federal Trade Commission and the Securities and Exchange Commission. However, after-tax profits of 9 leading meatpacking companies averaged 0.6 percent of sales in 1965 (fiscal year ended October 31), down from 1.0 percent in 1964. Profits after taxes of 14 leading retail food chains averaged 1.2 percent of sales in the first 3 quarters last year, the same as in the like period of 1964. The reduction in corporate income tax rates in 1965 tended to increase after-tax profit rates.

Marketing spreads for farm food products are likely to rise in 1966. Much of the increase will be in spreads for meat products when increased production of hogs results in some price decreases later this year.

Declines in marketing spreads from 1964 to 1965 were distributed throughout much of the market basket. Spreads declined for 5 of the 7 product groups. However, of most importance was a 5-percent decline in the spread for the meat products group, which accounted for most of the decline in the market basket spread. Spreads declined about 1 percent for each of 4 other product groups--dairy products, poultry and eggs, fruits and vegetables, and miscellaneous products (table 2). Narrowing spreads for processed fruits and vegetables were partially offset by widening spreads for fresh fruits and vegetables. Marketing spreads for the fats and oils group increased about 6 percent, and the spread for bakery and cereal products widened slightly.

1/ The "market basket" contains the average quantities of domestic farm-originated food products purchased annually per household in 1960-61 by wage-earner and clerical-worker families and single workers living alone. Since the market basket does not contain imported foods or fishery products and other foods of nonfarm origin or the cost of meals in eating places, its retail cost is less than the cost of all foods bought per family. The farm value is the return to farmers for the farm products equivalent to the foods in the market basket. The farm-retail spread is the difference between the retail cost and the farm value. It is an estimate of gross revenues received by marketing firms for assembling, processing, transporting, and distributing the products in the market basket.

Table 1.--The farm food market basket: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, 1954-65 1/

Year and month	Retail cost	Farm value 2/	Farm-retail spread	Farmer's share
	Dollars	Dollars	Dollars	Percent
1954	933	398	535	43
1955	917	373	544	41
1956	920	369	551	40
1957	953	380	573	40
1958	1,009	407	602	40
1959	985	377	608	38
1957-59 average	983	388	595	39
1960	991	383	608	39
1961	997	380	617	38
1962	1,006	384	622	38
1963	1,013	374	639	37
1964	1,014	374	640	37
1965 3/	1,042	409	633	39
1964				
January	1,014	375	639	37
February	1,012	369	643	36
March	1,006	371	635	37
April	1,004	361	643	36
May	1,000	360	640	36
June	1,008	361	647	36
July	1,023	382	641	37
August	1,021	383	638	38
September	1,028	386	642	38
October	1,022	379	643	37
November	1,018	380	638	37
December	1,019	379	640	37
1965				
January	1,015	381	634	38
February	1,013	383	630	38
March	1,015	385	630	38
April	1,022	395	627	39
May	1,030	413	617	40
June	1,063	424	639	40
July	1,072	423	649	39
August	1,060	420	640	40
September	1,051	413	638	39
October	1,048	416	632	40
November	1,048	415	633	40
December	1,063	441	622	41

1/ Retail cost of average quantities purchased annually per household in 1960-61 by urban wage-earner and clerical-worker families and single workers living alone, calculated from retail prices collected by the Bureau of Labor Statistics.

2/ Payments to farmers for equivalent quantities of farm products minus imputed value of byproducts obtained in processing.

3/ Preliminary.

Table 2.--The market basket of farm foods: Retail cost, farm value, farm-retail spread, 1965 and 1964

Item	12-month average 1965	12-month average 1964	Change 1965 from 1964	
			Actual	Percentage
	Dollars	Dollars	Dollars	Percent
	Retail cost			
Market basket	1,041.72	1,014.48	27.24	3
Meat products	303.56	280.26	23.30	8
Dairy products	179.06	178.92	.14	1/
Poultry and eggs	85.09	84.51	.58	1
Bakery and cereal products	160.92	159.64	1.28	1
All fruits and vegetables	229.37	229.50	-.13	1/
Fats and oils	37.48	34.78	2.70	8
Miscellaneous products	46.24	46.87	-.63	-1
	Farm value			
Market basket	409.02	373.85	35.17	9
Meat products	164.76	134.54	30.22	22
Dairy products	79.64	78.70	.94	1
Poultry and eggs	48.43	47.48	.95	2
Bakery and cereal products	33.06	32.25	.81	3
All fruits and vegetables	63.26	61.94	1.32	2
Fats and oils	11.48	10.20	1.28	13
Miscellaneous products	8.39	8.74	-.35	-4
	Farm-retail spread			
Market basket	632.70	640.63	-7.93	-1
Meat products	138.80	145.72	-6.92	-5
Dairy products	99.42	100.22	-.80	-1
Poultry and eggs	36.66	37.03	-.37	-1
Bakery and cereal products	127.86	127.39	.47	1/
All fruits and vegetables	166.11	167.56	-1.45	-1
Fats and oils	26.00	24.58	1.42	6
Miscellaneous products	37.85	38.13	-.28	-1
	Farmer's share of retail cost			
	Percent	Percent	Percentage points	
Market basket	39	37	2	
Meat products	54	48	6	
Dairy products	44	44	0	
Poultry and eggs	57	56	1	
Bakery and cereal products	21	20	1	
All fruits and vegetables	28	27	1	
Fats and oils	31	29	2	
Miscellaneous products	18	19	-1	

1/ Less than 0.5 percent.

On a quarterly basis, the market basket farm-retail spread was narrowest in the second and fourth quarters and widest in the third quarter. The fourth quarter average was about 2 percent lower than in 1964.

Farm Value Up 9 Percent

Prices received by farmers for the foods in the market basket increased about 9 percent from 1964 to 1965, to $409. The only other rise of this magnitude since 1951 was in 1958. The farm value last year, however, was 13 percent less than in 1951, when a record high was established.

Except for the miscellaneous group, farm values rose for all major product groups and for most items in the market basket (table 2). However, a 22 percent increase in the farm value of meat products accounted for most of the rise in the market basket. The farm value of the fats and oils group rose 13 percent. Increases for other groups ranged from 1 to 3 percent. A 2 percent decline in the price of eggs moderated the rise in the farm value for the poultry and egg group. Lower prices received by farmers for sugarcane and sugar beets caused the decline in the miscellaneous group.

The farm value of the market basket increased each succeeding quarter through 1965. The largest increase--about 7 percent--occurred from the first to the second quarter. Other quarter-to-quarter increases during 1965 ranged from 1 to 2 percent. The fourth quarter average was 12 percent higher in 1965 than in 1964 (table 7 p. 24). Farm values were higher for all major product groups except fruits and vegetables. The farm value for the meat products group was up 35 percent.

Retail Cost Up Almost 3 Percent

The retail cost of the market basket of farm foods rose to a record annual average of $1,042 last year, almost 3 percent higher than in 1964. This was the largest annual increase since the 6 percent rise from 1957 to 1958. In 1959-64, annual increases in the retail cost of the market basket averaged less than 1 percent a year. During this 6-year period the marketing spreads widened and the farm value was relatively stable.

An 8 percent rise in the retail cost of the meat products group accounted for most of the rise in the market basket retail cost last year (table 2). The retail cost of the fats and oils group also increased 8 percent. Other major product groups increased less than 1 percent except for the miscellaneous products group, which declined slightly, and the fruit and vegetables group which remained at about the same level as in the previous year.

Farmer's Share Averages 39 Percent

The farmer received an average of 39 cents of the consumer's farm food dollar spent in retail stores in 1965--2 cents more than in 1964. This increase in the annual average was the largest since 1951 and the first since 1960. The farmer's share averaged 40 cents in the fourth quarter last year, 1 cent more than in the previous quarter and 3 cents more than a year earlier.

Meat Products

In 1965 the meat products group was characterized by rising prices received by farmers for all species of meat animals, rising retail prices, and narrowing farm-retail spreads.

Production of red meat was about 3 percent less in 1965 than in 1964. Pork production was down about 11 percent from 1964, while production of beef rose about 2 percent. Sharply lower pork production in 1965 and a strong advance in the demand for meats contributed to higher prices for meat products at all levels.

Prices of hogs rose during much of the year. Rises were particularly sharp in the late spring and late fall. Rising prices of hogs boosted the farm value of pork--the return to the farmer for the quantity of live hog equivalent to 1 pound of pork at retail--to an average of 37.1 cents per retail pound, almost two-fifths higher than in 1964 and the highest level since 1954 (table 3).

As often happens, wholesale and retail prices of pork during much of the year rose more slowly than the farm value. The wholesale price averaged 24 percent higher in 1965 than in 1964, and the retail price was up 14 percent. The retail price average of 64.3 cents per pound was the highest annual average on record.

Since the retail price rose more slowly than the farm value in 1965, the spread between the two decreased. The farm-retail spread averaged 27.2 cents per retail pound, 8 percent less than in 1964, and the smallest since 1956. The wholesale-retail segment of the spread decreased 11 percent and the farm-wholesale segment, 5 percent. During the last 10 years, the wholesale-retail spread has shown a definite widening trend. Although it decreased in 1964 and 1965, it was 10 percent wider in 1965 than in 1955. The farm-wholesale spread, however, has shown no definite trend.

The farm value of Choice beef averaged 46.9 cents per retail pound in 1965, up 11 percent from 1964 and 14 percent higher than in 1955 (table 3). Prices farmers received for beef cattle rose during the spring and in December. Although production of beef increased slightly in 1965, consumption declined to 99 pounds per capita from the record 100 pounds of 1964.

Wholesale and retail prices of Choice beef generally rose more slowly than the farm price. Retail prices averaged 81.7 cents per pound in 1965, about 5 percent higher than in 1964 but 1 percent below the annual average in 1962. Wholesale prices averaged 7 percent higher in 1965 than in 1964.

The spread between the retail price and farm value averaged 34.8 cents in 1965 compared with the record 35.4 cents in 1964. Most of the decrease was in the farm-wholesale segment. The wholesale-retail segment decreased less than 1 percent. The decrease in the farm-retail spread was only the second in 10 years; the other was in 1962. During this period the farm-retail spread increased at an average rate of about 1 cent per year.

Dairy Products

Retail cost, farm value, and marketing spreads for dairy products have changed little during the first half of the 1960's. In 1965, a 1 percent increase in farm value was offset by a declining farm-retail spread. The retail costs of the group changed very little. This was the third year in which the spread for dairy products declined.

Increases in the farm value for milk used in manufactured dairy products ranged from 1 percent for ice cream to 3 percent for butter. The retail price rose for most manufactured products except ice cream. Wider spreads for cheese and evaporated milk were offset by narrower spreads for butter and ice cream.

The farm value for fluid milk averaged the same in 1965 as in 1964, but retail prices for both home-delivered milk and that sold in stores declined in 1965. Thus, the spread for each of these items also declined.

The farm value for the dairy products group in the fourth quarter last year was up about 2 percent from a year earlier. The retail cost for the group increased less than the farm value; therefore, the spread in the fourth quarter declined from a year earlier.

Poultry and Eggs

Responding to decreased supplies of red meat, the annual average retail price of frying chickens increased about 3 percent in 1965 and the farm value increased about

Table 3.--Beef, pork, and lamb: Retail price, wholesale value, farm value, farm-retail spread, and farmer's share of retail price, annual 1963-65, by quarters, 1964-65

Date	Retail price per pound 1/	Wholesale value 2/	Gross farm value 3/	Byproduct allowance 4/	Net farm value 5/	Farm-retail spread			Farmer's share
						Total	Wholesale-retail	Farm-wholesale	
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Percent
Beef, (Choice grade)									
1963	81.0	56.1	51.1	4.5	46.6	34.4	24.9	9.5	58
1964	77.8	53.8	46.6	4.2	42.4	35.4	24.0	11.4	54
1965 6/	81.7	57.8	51.8	4.9	46.9	34.8	23.9	10.9	57
1964									
Jan.-Mar.	77.5	52.6	47.2	4.1	43.1	34.4	24.9	9.5	56
Apr.-June	76.0	51.1	44.5	4.2	40.3	35.7	24.9	10.8	53
July-Sept.	78.5	56.4	47.8	4.2	43.6	34.9	22.1	12.8	56
Oct.-Dec.	79.3	54.9	46.7	4.2	42.5	36.8	24.4	12.4	54
1965 6/									
Jan.-Mar.	78.6	54.4	47.9	4.3	43.6	35.0	24.2	10.8	55
Apr.-June	80.6	59.3	53.0	4.9	48.1	32.5	21.3	11.2	60
July-Sept.	84.4	59.9	53.9	5.4	48.5	35.9	24.5	11.4	57
Oct.-Dec.	83.1	57.6	52.5	5.3	47.2	35.9	25.5	10.4	57
Pork									
1963	57.3	40.3	31.0	3.9	27.1	30.2	17.0	13.2	47
1964	56.4	40.0	30.7	4.0	26.7	29.7	16.4	13.3	47
1965 6/	64.3	49.7	42.6	5.5	37.1	27.2	14.6	12.6	58
1964									
Jan.-Mar.	55.6	38.9	29.2	3.8	25.4	30.2	16.7	13.5	46
Apr.-June	54.8	38.7	29.8	3.9	25.9	28.9	16.1	12.8	47
July-Sept.	58.0	42.9	33.5	4.1	29.4	28.6	15.1	13.5	51
Oct.-Dec.	57.1	39.7	30.3	4.2	26.1	31.0	17.4	13.6	46
1965 6/									
Jan.-Mar.	56.8	41.1	32.8	4.5	28.3	28.5	15.7	12.8	50
Apr.-June	59.7	46.9	40.4	5.2	35.2	24.5	12.8	11.7	59
July-Sept.	69.7	54.2	47.3	6.0	41.3	28.4	15.5	12.9	59
Oct.-Dec.	70.7	56.5	49.9	6.4	43.5	27.2	14.2	13.0	62
Lamb, (Choice grade)									
1963	71.3	48.7	42.9	6.3	36.6	34.7	22.6	12.1	51
1964	73.6	52.5	46.8	7.1	39.7	33.9	21.1	12.8	54
1965 6/	78.6	58.4	53.2	7.9	45.3	33.3	20.2	13.1	58
1964									
Jan.-Mar.	71.9	47.7	44.2	7.0	37.2	34.7	24.2	10.5	52
Apr.-June	71.9	54.1	48.1	7.4	40.7	31.2	17.8	13.4	57
July-Sept.	75.3	56.3	48.9	6.5	42.4	32.9	19.0	13.9	56
Oct.-Dec.	75.5	51.8	45.9	7.4	38.5	37.0	23.7	13.3	51
1965 6/									
Jan.-Mar.	75.4	55.3	50.2	8.1	42.1	33.3	20.1	13.2	56
Apr.-June	78.6	61.0	54.8	8.2	46.6	32.0	17.6	14.4	59
July-Sept.	81.8	58.8	53.7	6.8	46.9	34.9	23.0	11.9	57
Oct.-Dec.	78.6	58.4	54.1	8.5	45.6	33.0	20.2	12.8	58

1/ Estimated weighted average price of retail cuts.
2/ Wholesale value of quantity of carcass equivalent to 1 lb. of retail cuts: Beef, 1.35 lb.; pork, 1.00 lb.; lamb, 1.14 lb.
3/ Payment to farmer for quantity of live animal equivalent to 1 lb. of retail cuts: Beef, 2.25 lb.; pork, 2.00 lb.; lamb, quantity varies by months from 2.33 lb. in April to 2.38 lb. in October.
4/ Portion of gross farm value attributed to edible and inedible byproduct.
5/ Gross farm value minus byproduct allowance.
6/ Preliminary.

6 percent. These prices increased although the volume of chickens slaughtered was 7 percent larger in 1965 than in 1964. The retail price for frying chickens averaged 39.0 cents per pound last year; the farm value, 20.7 cents; and the farm-retail spread, 18.3 cents.

The retail price for frying chickens averaged 38.5 cents per pound in the fourth quarter last year, up about 1 percent from a year earlier. The farm value averaged about 3 percent higher than a year earlier. The farm-retail spread in the fourth quarter 1965 was narrower than in the same quarter of 1964.

The farm value of a dozen eggs at retail averaged 32.2 cents in 1965, down about 2 percent from 1964. The consumer also paid less for eggs in 1965--52.7 cents per dozen, down 2 percent from the previous year. The marketing spread also declined 2 percent.

The farm value in the fourth quarter averaged 39.2 cents, up 16 percent from a year earlier. The retail price rose to 59.8 cents per dozen, up 8 percent from fourth quarter 1964. The spread in the final quarter was 5 percent smaller than a year earlier.

Bakery and Cereal Products

The retail cost and farm-retail spread for the bakery and cereal products group each increased less than 1 percent from 1964 to 1965. The farm value increased almost 3 percent. The increase in the farm-retail spread was about the same as in the previous year, but much smaller than for other years of the 1960's. The retail cost, farm value, and farm-retail spread were each up 8 percent from the 1957-59 average. When the 1964 Wheat Program went into effect on July 1, 1964, the value of the domestic wheat marketing certificate was added to the market price of wheat in calculating the farm value of wheat products.

The farm value for all farm-originated ingredients in a 1-pound loaf of white bread averaged 3.4 cents in the last quarter of 1965 and 2.7 cents for wheat only (including the value of the domestic wheat marketing certificate). The farm value for all farm ingredients was 0.1 cent higher than in the fourth quarter 1964 (table 7 , p. 24). There was no change in the farm value for wheat from a year earlier. The retail price for a 1-pound loaf averaged 20.9 cents in fourth quarter 1965, the same as a year earlier. The farm-retail spread averaged 17.5 cents, 0.1 cent less than in the fourth quarter 1964.

The farm value of 5 pounds of flour averaged 21.5 cents in the fourth quarter of 1965, up 0.3 cent from the third quarter and 0.7 cent from a year earlier. The retail price averaged 57.9 cents, down 0.2 cent from the previous quarter, but 0.2 cent higher than a year earlier. The farm-retail spread averaged 36.4 cents in the final quarter last year compared with 36.9 cents in the year-earlier quarter.

Fruits and Vegetables

The farm value of the fruits and vegetables group increased about 2 percent from 1964 to 1965. Increases for most fresh vegetables, including potatoes, were almost offset by lower prices for fresh oranges and grapefruit and oranges for processing. The retail cost of the group remained at about the 1964 level. The farm-retail spread declined about 1 percent.

The farm value of frozen concentrated orange juice averaged 10.6 cents for a 6-ounce can in 1965, down 29 percent from a year earlier. The retail price averaged 23.7 cents, about 24 percent below 1964. It declined each quarter during 1965. The spread decreased 19 percent. These large declines in the retail price, farm value, and the spread resulted from the return to a more nearly average orange crop in 1964-65 for the first time following the December 1962, freeze in Florida. The retail price averaged 20.6 cents and the farm value averaged 7.4 cents in 1962, considerably below the averages for 1965. However,

the spread averaged about the same in the two years.

Potato prices at all market levels averaged much higher in 1965 than in the preceding year. Prices rose sharply because of a small fall potato crop in the Midwestern and Western States in 1964. The total production of fall potatoes in all areas was 13 percent smaller in 1964 than in 1963. Stocks of potatoes on January 1, 1965, were down 16 percent from a year earlier and were the smallest since 1958. The winter, spring, and early summer crops in 1965 exceeded those of 1964, but did not make up for the short supply of fall potatoes. Consequently, retail prices rose to a record $1.35 for 10 pounds in July, the farm value averaged 49 cents, and the spread widened to 86 cents.

Late in July, supplies of new-crop potatoes increased substantially, and farm prices broke. By the fourth quarter, the farm value averaged 19.5 cents, 40 percent below the previous quarter and 37 percent less than a year earlier. The retail price also dropped rapidly to average 67.2 cents per 10 pounds in the fourth quarter, down 32 percent from the third quarter, and 13 percent from a year earlier. The spread declined 29 percent from the third to the fourth quarter, averaging about 4 percent greater than in the fourth quarter of 1964, and 18 percent greater than in the 1957-59 average.

In 1965, the fourth quarter farm value of the fruits and vegetables group averaged 10 percent below a year earlier. The retail cost averaged about 4 percent lower and the farm-retail spread about 1 percent lower than a year earlier.

Fats and Oils

The farm value of the fats and oils products group averaged 13 percent higher last year than in 1964, mainly because of higher prices received by farmers for soybeans. Retail prices of these products rose by 8 percent in 1965. The retail cost rose more in dollars and cents than the farm value; thus the farm-retail spread widened by 6 percent.

During the fourth quarter 1965, the spread for fats and oils products averaged about 15 percent above a year earlier. The wider spread resulted from a 10 percent decline in the farm value and a 7 percent increase in the retail cost of the group.

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CONSUMER INCOME AND EXPENDITURES

Per capita disposable income continued to increase in 1965, rising to $2,391--about 5 percent above 1964 and 44 percent above 1955. Disposable income per person in dollars of constant purchasing power also was higher. It averaged 4 percent higher in 1965 than in 1964 and 23 percent higher than in 1955.

Per capita expenditures for all goods and services rose about 6 percent in 1965 from 1964. Personal savings averaged 5.4 percent of disposable income in 1965, down from 6.0 percent in 1964 and 5.7 percent in 1955. Savings as a percentage of disposable income generally averaged lower during the first half of the 1960's than during the first half of the 1950's.

Per capita expenditures for durable goods in 1965 averaged about 9 percent higher than in the preceding year. Per capita expenditures increased about 5 percent for nondurable goods and 6 percent for services.

Expenditures for Food

Expenditures for food in 1965 rose to $436 per person, up about 5 percent from 1964 (table 4). Price increases accounted for much of this rise. Per capita expenditures for food in 1965 were 24 percent higher than in 1955. This increase compared with an increase of about 16 percent in prices of all food. Much of the rise in expenditures over the past decade resulted from consumers substituting relatively expensive foods for cheaper foods and from increased expenditures for marketing services.

During the past 10 years, expenditures per person for food did not increase as much as per capita disposable income. Thus, the percentage of income spent for food declined from 21.1 percent in 1955 to 18.2 last year. The proportion spent for food declined in all but 2 years.

Consumer expenditures for all goods and services except foods totaled $1,766 per person in 1965, up 49 percent from the 1955 average (table 4). Thus, these expenditures increased more than disposable income--unlike those for food--and increased to 74 percent of disposable income in 1965 from 71 percent in 1955. Prices of these goods and services rose about 19 percent.

Expenditures for clothing and shoes--made in part from farm-originated raw materials--averaged $180 per person last year, 4 percent more than in 1964 and 29 percent above the 1955 average. These expenditures accounted for close to 8 percent of disposable income in the first half of the 1960's compared with almost 9 percent in the first half of the 1950's.

This article and accompanying table are based on revised income and expenditure extimates published by Office of Business Economics, U.S. Department of Commerce.

Table 4.--Per capita income and expenditures for food and other goods and services, United States, 1929-65 1/

Year	Disposable personal income	Personal consumption expenditures			
		Food		Other goods and services	
		Actual	Percentage of disposable income	Actual	Percentage of disposable income
	Dollars	Dollars	Percent	Dollars	Percent
1929	683	160	23.4	474	69.4
1930	605	146	24.1	421	69.6
1931	516	118	22.9	369	71.5
1932	390	91	23.3	298	76.4
1933	362	81	24.0	277	76.5
1934	414	96	23.2	310	74.9
1935	459	107	23.3	330	71.9
1936	518	119	23.0	364	70.3
1937	552	128	23.2	388	70.3
1938	504	120	23.8	372	73.8
1939	537	120	22.3	390	72.6
1940	573	126	22.0	410	71.6
1941	695	144	20.7	460	66.2
1942	867	173	20.0	483	55.7
1943	976	200	20.5	526	53.9
1944	1,057	216	20.4	566	53.5
1945	1,074	237	22.1	618	57.5
1946	1,132	276	24.4	738	65.2
1947	1,178	303	25.7	812	68.9
1948	1,290	316	24.5	868	67.3
1949	1,264	300	23.7	885	70.0
1950	1,364	303	22.2	956	70.1
1951	1,469	338	23.0	999	68.0
1952	1,518	349	23.0	1,032	68.0
1953	1,583	348	22.0	1,093	69.0
1954	1,585	348	22.0	1,108	69.9
1955	1,666	352	21.1	1,187	71.2
1956	1,743	359	20.6	1,226	70.3
1957	1,801	373	20.7	1,270	70.5
1958	1,831	382	20.9	1,284	70.1
1959	1,905	386	20.3	1,372	72.0
1957-59 average	1,846	380	20.6	1,309	70.9
1960	1,937	388	20.0	1,412	72.9
1961	1,983	392	19.8	1,432	72.2
1962	2,064	399	19.3	1,503	72.8
1963	2,132	404	18.9	1,569	73.6
1964	2,268	416	18.3	1,660	73.2
1965	2,391	436	18.2	1,766	73.9

1/ Compiled from revised estimates published by the National Income Division, U.S. Department of Commerce. Data for Alaska and Hawaii included beginning 1960. Revised data were published in August 1965 and later.

STRUCTURAL CHANGES IN LIVESTOCK AND MEAT MARKETING INDUSTRY 1/

Three trends have greatly affected the organization of the livestock slaughtering and meat processing industry. Although these trends are not new, their progress may have accelerated in recent years. They are: (1) An increasing proportion of total slaughter performed by plants located in livestock-producing areas, (2) an increasing proportion of plants specializing in slaughtering or in meat processing, and (3) a decline in the proportion of slaughter performed in plants operated by the largest meatpacking firms. Accompanying these organizational trends has been continued growth in the proportion of livestock slaughtered under Federal inspection. In 1962, 78 percent of the cattle, 66 percent of the calves, 87 percent of the sheep, and 85 percent of the hogs were slaughtered under Federal inspection. These proportions indicate the extent to which livestock slaughter firms are participating in the national market, since Federal inspection is necessary for all meat moving in interstate commerce.

Shift of Slaughter to Specialized Plants in Producing Areas

The large packing companies and many of the smaller ones had plants adjacent to terminal markets located at principal rail centers. These plants generally slaughtered all different species. Further, because steam power could be used most efficiently in large plants, all species were slaughtered under 1 roof.

Since the 1920's, the proportion of livestock shipped to terminal markets has declined, partly because motortrucks and improved highways have made shippers less dependent on railroads. Shipments of dressed meat by trucks have increased, and in recent years, railroad freight rates for meat have declined relative to those for meat animals. Both developments fostered the transfer of slaughtering to livestock-producing areas. This trend was also furthered by the introduction of new carcass handling techniques, mechanical knives, and more efficient refrigeration, all of which aided newer plants to achieve costs competitive with those of older and larger plants. Many large meatpacking companies have closed plants at terminal markets in recent years and have opened plants in producing areas. Smaller companies also have opened plants there.

Plants in producing areas have relatively low procurement costs, provided they can obtain their needed volumes nearby. In some areas, however, plants cannot get sufficient volumes of all species without long distance hauling. Since there are no particular economies in slaughtering more than 1 species, many of these plants specialize in slaughtering 1 or 2 species.

An increasing number of slaughter plants specialize in selling feed dressed beef to chain store companies and other large retail buyers. Similarly, some plants only kill hogs and ship chilled carcasses. They do no processing. Many of these plants have as large a slaughter output as the largest multi-specie plants.

In 1962, 84 federally inspected plants slaughtered all 4 major livestock species compared with 175 in 1950. In contrast, plants slaughtering only 1 species increased to 193 in 1962 from 73 in 1950. Plants specializing in cattle slaughter number 127 in 1962 compared with 34 in 1950. During this period, the number of specialized hog slaughtering plants also increased--from 37 to 60. The greater increase in specialized cattle slaughtering plants resulted partly because beef production expanded more than pork production.

1/ Prepared by W. E. Anthony, agricultural economist, Marketing Economics Division, Economic Research Service, USDA, and K. E. Egertson, extension economist in marketing, University of Minnesota.

Slaughtering or Processing

Some plants also specialize in slaughtering or in meat processing. Although only 49 federally inspected plants did no meat processing in 1961, a large proportion of the other slaughtering plants did very little processing. Half these plants processed an average of only 14 percent of their slaughter production. The extent of their processing frequently consisted of some boning, carcass breaking, and other preparation of fresh meat.

Specialization appears to be more frequent in meat processing (curing, smoking, sausage making, etc.) than in slaughtering, 65 percent of the processing plants did no slaughtering in 1961. Apparently there is less advantage now than formerly in slaughtering and processing under 1 roof. Processing plants appear to gain some advantage by locating in or near a large center of population. There are several reasons for this. First, since product differentiation is important in marketing processed meats, it is often advantageous to cultivate a large concentrated market with a hometown product specially tailored to local tastes. Second, services to retailers may be provided more effectively when the plant is located near consumer markets. Third, processing plants' sources of raw materials often are public warehouses located in large cities. Many of the plants in market centers formerly used for slaughtering as well as for meat processing are now used only for processing. As long as economic factors affecting location are different for slaughtering than for processing, the trend to specialization is likely to continue.

Decentralization of Slaughter

In 1950, the 4 largest meatpacking firms had 51 percent of the total slaughter in federally inspected plants. By 1962, their share had decreased to 35 percent. For every species, concentration of slaughter declined during this period. The share of the 4 largest firms decreased from 52 to 30 percent for cattle, from 58 to 40 percent for calves, from 70 to 59 percent for sheep and lambs, and from 49 to 39 percent for hogs. Concentration of slaughter varies among particular markets and geographic regions. It has been somewhat greater in the West North Central States--the leading livestock slaughtering region--than in the Nation as a whole. In this region, the 4 largest firms accounted for 46 percent of the federally inspected cattle slaughter in 1962; 97 percent of the calf slaughter; 60 percent of the slaughter of sheep and lambs; and 51 percent of the hog slaughter. Here too, the proportion performed by the 4 largest firms has declined.

The share of total slaughter by the largest firms has decreased because their volume has not been growing as rapidly as the total volume of slaughter. Two factors largely account for this declining concentration. First, new firms have entered the industry and are slaughtering increasing proportions of the growing livestock production. Between 1950 and 1962, the number of slaughter firms under Federal inspection increased from 336 to 441. Second, the small firms have grown in size at a much faster rate than the large firms.

Many of the same factors producing specialization in slaughter have also been instrumental in the growing importance of small firms. Technology has made relatively small plants economically feasible. Thus, the capital requirements for entry in the industry have been reduced. It is advantageous for these entering firms with limited capital to construct a specialized slaughter plant having sufficient size to achieve scale economies rather than a diversified plant of insufficient size.

Developments in transportation and technology--coupled with increased specialization of livestock producers--have made non-terminal plant locations economically feasible. Thus, small firms have been able to enter the industry and flourish without being forced to jockey for terminal plant locations and a share of the terminal market receipts. Further, Federal inspection and grading have facilitated growth of small firms by allowing them to enter the national dressed meat

market on nearly the same basis as large firms having heavy investments in sales organizations and brand names.

Retail chains generally have not been interested in merchandising packer branded fresh meats. Thus, small slaughter firms have been able to compete for fresh meat sales without the need of advertising campaigns. Often their newer and more efficient plants have given them a cost advantage relative to the older plants of the larger firms.

Finally, the large slaughter firms may have expanded at a slower rate than small firms because they have had other investment opportunities. Several large firms have invested in other industries such as chemicals and fertilizers, because those industries have been more profitable than meatpacking in recent years. On the other hand, a small slaughter firm interested in reinvesting its capital may not have the same profitable alternatives. Therefore, small firms may have tended to reinvest in the slaughter industry more consistently than large firms.

RECENT TRENDS AND PROSPECTIVE DEVELOPMENTS IN AIR SHIPMENTS OF AGRICULTURAL COMMODITIES 1/

World air freight traffic has grown sensationally, increasing more than 32 times since 1946 and more than 4 times in the past 10 years. Shippers are now spending more than $700 million yearly to send their goods by air. The volume of agricultural commodities shipped by air is still a very small part of total air shipments, but it is growing.

A recent survey by some of the major airlines shows that the volume of fresh fruits and vegetables shipped by air during July-June 1964-65 was between 4 and 5 times that during 1961. These airlines expect a similar increase by 1970. Cut flowers move in large quantities by air, making up two-fifths of the total volume of agricultural products carried by these airlines (table 5). One of the major airlines reported cut flowers as the sixth most important item it carried and fruits and vegetables as the seventh. Other horticultural products such as shrubbery, plants, ornamental greens, etc. are also moving in fairly large quantities as are poultry and eggs and miscellaneous foodstuffs.

Shipments of agricultural commodities no longer move by air only when the commodity is in short supply. During the 1965 season, the airlines transported more than 1,100 carlot equivalents of strawberries out of California, almost 50 percent more than in 1964, and about 180 carlot equivalents of other fruits and vegetables. 2/ Commodities hauled by airlines included fresh figs, cherries, peaches, cantaloupes, apricots, nectarines, plums, grapes, raspberries, asparagus, lettuce, parsley, okra, tomatoes, frozen foods, poultry, eggs, meats, seafoods, and oriental vegetables.

Air Freight Rates

Rates per ton-mile on fruits and vegetables from California dropped sharply between 1961 and 1965. In 1961 air freight rates averaged between 18 and 20 cents. 3/ A recent survey indicated that the average was about 12 cents per ton-mile in 1965 and ranged between 7 cents on fruits and berries to 20 cents on cut flowers. The reduction was partly due to more efficient operations plus the use of more cargo-carrying jets.

Air freight rates on shipments of fresh fruits and vegetables from San Francisco to Chicago and New York were 33 to 76 percent higher than railway express rates in 1965 and 3 1/2 to 4 times the comparable rail rates (table 6).

However, there are distinct advantages in shipping perishable commodities by air, which make air rates more competitive. Shorter transit time lessens spoilage, and less expensive packaging is required. Also shipping damage is apt to be less.

Volume of Shipments Increase as Rates Decrease.--Export rates for berries were 30 cents a pound (100-pounds minimum weight) in 1963; by 1965 they had been reduced to 23 cents per pound (2,200-pounds minimum weight). In 1965, berry shipments were almost 7 times those in 1963. 4/

Rates for meat from New York to London (including slaughtered poultry and game) were lowered September 1, 1965, to 17 cents per pound (2,200 pounds minimum weight). Rates on fruits and vegetables from New York to London were reduced to 16 cents per pound (1,100-pounds minimum) on January 1, 1966. Some sales managers

1/ Prepared by Mildred R. DeWolfe, survey statistician, Marketing Economics Division, Economic Research Service, USDA.

2/ U.S. Consumer and Marketing Service, Market News Branch, Fresh Fruit and Vegetable Shipments, C&MS-14 (1964), USDA, May 1965.

3/ John H. Hunter, Jr., Marketing and Transportation Situation, November 1962.

4/ Foreign Agricultural Service, USDA, Foreign Agriculture, July 26, 1965.

Table 5.--Tonnage of agricultural products carried by 5 airlines, July 1, 1964 - June 30, 1965

Product	Quantity
	Tons
Cut flowers	14,500
Fresh fruits and vegetables	13,750
Other horticultural products	2,350
Poultry and eggs	1,750
Frozen foods	500
Miscellaneous foodstuffs	1,550
Other miscellaneous	750
Total	35,150

Table 6.--Freight rates per 100 pounds for fruits and vegetables moving by railroad, railway express and air from San Francisco to New York and Chicago, 1965

Commodity	Destination	Rail freight		Railway express		Air	
		Rate	Minimum weight	Rate	Minimum weight	Rate	Minimum weight
		Dollars	1,000 pounds	Dollars	1,000 pounds	Dollars	1,000 pounds
Peaches	Chicago	2.07	40	4.09	36	7.20	2
Peaches	New York	2.07	40	4.94	36	8.65	2
Strawberries	Chicago	2.07	40	5.28	22	7.50	3
Strawberries	New York	2.07	40	6.33	22	8.45	10
Asparagus	New York	2.02	50	4.94	36	7.30	2

feel that a more regular flow of these items can be expected in overseas airborne traffic as a result of the reductions.

One of the major airlines lowered rates in April 1964 on fruits and vegetables shipped from Los Angeles to Chicago and New York. The reductions ranged from 17 to 40 percent on the Chicago rates and 26 to 44 percent on the New York rates. In 1965, there was a 45 percent increase in California shipments of strawberries to Chicago and a 25 percent increase in shipments to New York.

Each carrier initiates its own rates. The rates are subject to the approval of the Civil Aeronautics Board. This is true for both domestic and foreign rates.

Ton-Mile Costs to Airlines

During 1964, 4-engine all-cargo jets in U.S. domestic service had average direct operating cost of 4.59 cents per available ton-mile. 5/ Average capacity per revenue

5/ Direct Operating Costs and Other Performance Characteristics of Transport Aircraft in Airline Service, 1964. Federal Aviation Agency, Office of Policy Development, Sept. 1965. In calculating cost per available ton-mile, weight of capacity load is used.

mile was 43 tons. In international cargo operations, direct operating costs averaged 4.84 cents. Direct operating costs include such items as aircraft fuel, flight crews, depreciation, and maintenance. Ground handling costs' are not included.

Many variables must be considered when computing the average cost to the airlines of hauling 1 ton of freight 1 mile. Some of the points to be considered are: (1) Kinds of planes used, (2) cargo hauled, (3) preparation of cargo for shipment (many pieces handled individually or containerized shipment), (4) origin and destination points (a through-shipment or 1 that must be reconsigned), (5) distance hauled, and (6) need for special handling of cargo (because of fragility, prescribed temperature, humidity, etc.).

Plans for Growth

Airlines expect a substantial increase in agricultural commodity air freight during the next 5 years. Reasons given are: (1) Reduced operating costs, permitting reduced rates, (2) better use of equipment, (3) better packaging, (4) more automation, (5) additional services, (6) greater effort to improve marketing conditions, (7) improved sales promotion plans, (8) increased demand for high quality perishable products, and (9) increased service by airline customers to consumers.

Better Use of Equipment

A marketing analyst for the Boeing Company stated that a practical application of cargo jets to the short-haul market is coming. He emphasized that this will be in hauls ranging from 150 to about 400 miles. The company has designed 3 models of airplanes that will be able to operate as full-cargo planes, full passenger-planes, or part-passenger part-cargo planes. They can be converted in 20 minutes from 1 type to the other. The smallest model can exchange pallets with the largest. These planes will have the capability of accepting pallets flown in by big jets from across the country or the other side of the world. When operating as cargo planes, they will permit full mechanization of cargo handling.

All-Cargo Jets

The first all-cargo jets began to provide U.S. scheduled commercial service in 1963. As a result, cargo capacity increased sharply. By the end of 1965, U.S. carriers operated more than 40 of these giant jet freighters. A single cargo jet can haul a load of more than 40 tons nonstop coast-to-coast, or 35 tons nonstop from New York to Paris. The quick change cargo jet can be converted to an all-passenger vehicle or it can be converted to a part-cargo and part-passenger plane.

New mechanized ground-handling equipment and increased palletizing of loads now make it possible to load and unload jet freighters in 40 minutes. For transatlantic, transcontinental, and semi-transcontinental runs, the jet is much more efficient than the piston-type plane. Jets have equipment for mechanical refrigeration and for heating of cargo. Proper temperature and humidity control and packaging are necessary to maintain the quality of perishables in transit in order to justify the additional transportation cost of air freight.

According to a survey by the Air Transportation Association, U.S. scheduled airlines have on order "480 jet powered planes valued at more than $2.4 billion, or 53 percent of what the airlines paid for their entire present fleet. Most of the new planes will be in service by the end of 1967." This order includes both cargo and passenger planes. These planes will replace obsolete and uneconomical equipment.

Planes of the Near Future

What the airlines expect for the future is a supersonic plane which will travel between New York and London in less than 3 hours. The transportation cost would be about

the same as it is now. Both Britian and France expect to have their jointly-developed 1,450-mile-an-hour Concorde airliner flying by 1970-71. Development of American supersonic transports appears to be 2 to 4 years behind. Plans are for the first U.S. models to fly at 1,800 miles per hour.

Airlines also foresee development of a mammoth subsonic jet. Its speed would be in the 550-mile-per-hour range--less than half that of the supersonic plane, but its increased size would result in lower cost per ton-mile.

The United States also is looking for ways to meet pressures for cheaper air transportation. Two aircraft manufacturers already have "stretched versions" of today's airliner in the works. The stretched model will have a substantial size advantage over the planes now in use. These planes could carry enough additional weight to justify charging lower rates. Two airlines have ordered several stretched jets and expect delivery in the fall of 1966.

The most striking solution to providing lower-priced air transportation would be a commercial model of the military C5A, which the Air Force will build soon. The C5A will be 230 feet long and stand 6 stories high at the tail. The largest Boeing jet now in use is about 150 feet long. The new plane is expected to be capable of carrying 50 tons nonstop across the Pacific or 125 tons about 3,200 miles--roughly the width of the Atlantic. The C5A is due to be test-flown in about 2 years. Basically, it is intended to be used as a cargo transport. The weight of the C5A and its commercial version could cause a problem on runways, although use of additional wheels to distribute the weight might handle this.

The civilian version of the military plane would be capable of carrying so much more than any plane in use that airlines might have to make joint arrangements to fill it. Probably loaded highway trailers could be loaded into this plane and pulled off at their destination.

Containers

Now that jet freighters have been successfully introduced, the air cargo industry is taking a closer look at containerization in an attempt to further reduce costs. Handling costs of air freight are closely tied with the number of pieces handled as well as the weight. The international airlines provide a discount plan of 12 percent on containerized shipments which they hope will encourage the use of containers.

During the past few years, the airlines and shippers have worked together to improve handling methods, packaging techniques, and refrigeration. They devised a pallet that can be loaded with 10,000 pounds of strawberries, which was possible because strawberries are a high-density item. This pallet reduces handling costs, especially when full loads of strawberries are transported.

Airlines have developed containers which are lighter in weight and containers shaped to facilitate maximum use of the aircraft. Specialized containers have been designed, such as a wood-slat wire-bound crate, for shipments of calves in a jet freighter from New York to Milan. Due to ease of handling the calves in this container, a special freight rate was approved which resulted in about a two-thirds saving over the original rate for live animals.

Air carriers are selling triple corrugated containers in 4 sizes to shippers. Airlines belonging to the International Air Transportation Association give shippers discounts on rates of up to 12 percent on these containers when they are loaded with a minimum of 220 pounds and used in international flights. Thousands of these containers have been sold since the program began in January 1965. Use of these containers results in unitizing cargo, which simplifies handling and reduces cost.

Ground Handling

Although the airlines have made great

strides in material handling, they continue to strive for improvement. Their objective is to find ways to lessen the time required to unload a truck and push freight through the air terminal.

In 1964, several airlines put into service new air freight terminals, having what each considered the best in materials handling equipment. All had built-in plans for expansion. Another airline built a $7-million terminal to be occupied by the end of 1965. It has enclosed space to accommodate at 1 time 3 jet freighters and dock space for 24 trucks. Powered conveyor systems for servicing trucks can be extended into vans for quick loading and unloading. Automated cargo holding or storage systems include electronically controlled tow carts, power conveyors, and air pallet storage on power conveyors. In 1964, the airlines spent more than $40 million on new cargo handling equipment and 3 airlines spent more than $125 million in cargo terminal facilities at airports.

Power conveyors now in use can load the belly of a combination carrier plane in minutes. They can pick up, convey, and discharge loads up to 2,000 pounds. One man can move easily loads weighing more than 40,000 pounds with a small diesel-powered tug manufactured by a British firm. Tugs are used to transport shipments from ground receivers to planes.

Outlook for Air Transportation

Air ton-mileage has been increasing at an annual rate of about 20 percent and will continue to increase. Most air carriers are gradually replacing piston cargo aircraft with either "quick-change" passenger-cargo jets or all-cargo jets. This will permit heavier loading which reduces costs per ton-mile to the carrier; part of this saving probably will be passed on to shippers. Planes are getting bigger and plans are to make them even larger and capable of carrying heavier loads. Representatives of 1 of the companies manufacturing jets are teaming up with air freight salemen to sell space to fill these planes. Ground handling facilities will continue to improve and will contribute to further reduction carrier costs. New freight terminals are being constructed.

Shipper-carrier workshops are to be conducted in mid-1966, according to CAB's November 1965 announcement. This should establish a better relationship between carriers and shippers as well as acquaint the carriers with any special needs of the shippers.

SELECTED NEW PUBLICATIONS

1. "Contracting and Other Integrating Arrangements in the Turkey Industry," by William W. Gallimore, U.S. Dept. Agr., Econ. Res. Ser., MRR-734, Nov. 1965.
2. "Demand for Manufacturers' Services for Bakery Products and Fruits and Vegetables," by William H. Waldorf. [Reprinted from the Journal of the American Statistical Association, Sept. 1965, Vol. 60, pp. 740-749.]
3. "Economies of Scale in Egg Packing Plants under Changing Cost and Technical Conditions," by Harold B. Jones, Ga. Agr. Expt. Sta., Tech. Bull. N.S.-48, Oct. 1965. (Econ. Res. Ser., USDA, cooperating)
4. "Federal, State and Local Laws and Regulations Affecting Marketing," (Proceedings of a Seminar), Bull. No.-455, Sept. 1965. (Alaska, Ill., Ind., Iowa, Kans., Mich., Minn., Mo., Neb., N. D., Ohio, S. D., and Wis. Agr. Expt. Stas. cooperating.)
5. "Marketing New England Poultry 7. Economics of Broiler Feed Mixing and Distribution," by Clark R. Burbee, Edwin T. Bardwell and Alfred A. Brown, N.H. Agr. Expt. Sta., Stat. Bull.-484, Sept. 1965. (Econ. Res. Ser., USDA, and Mass. Agr. Expt. Sta. cooperating.)
6. "Processing Feed Ingredients: Costs, Labor, and Capital Requirements," by Carl J. Vosloh, Jr., U.S. Dept. Agr., Econ. Res. Ser., MRR-731, Nov. 1965.
7. "Profile of the Retail Florist Industry 1964," by Nick Havas, U.S. Dept. Agr., Econ. Res. Ser., MRR-741, Dec. 1965.
8. "Promotional Activities of Agricultural Groups," by Carl R. Twining and Peter L. Henderson, U.S. Dept. Agr., Econ. Res. Ser., MRR-742, Dec. 1965.
9. "Shippers' Costs of Assembling and Distributing Southwestern Cotton, by Types, Market Trading Areas, and Sales Outlets, Season, 1964-65," by Maurice R. Cooper and William F. Harris, U.S. Dept. Agr., Econ. Res. Ser., ERS-261 (1965), Nov. 1965.
10. "Transportation of Grain in the Southwestern States by Rail and Truck, 1960-62," by Helen V. Smith, U.S. Dept. Agr., Econ. Res. Ser., Stat. Bull.-367, Feb. 1966.
11. "Truck Transportation--To Own or Not to Own," by Olan D. Forker and Heidi Seney, Calif. Agr. Expt. Sta., No. 65-3, Nov. 1965. (Giannini Foundation cooperating.)

Publications issued by State Agricultural Experiment Stations may be obtained from the issuing Station.

LIST OF SPECIAL ARTICLES
in
The Marketing and Transportation Situation
1965

Marketing Costs, Spreads, and Profits

Marketing Spreads for Beef, Pork, and Lamb ..... Feb.
Marketing Spreads for Eggs, Frying Chickens and Turkeys in Selected Cities of the United States ..... Feb.
Marketing Spreads for Dairy Products ..... Feb.
Marketing Spreads for Leather Products ..... Feb.
The Bill for Marketing Farm Food Products ..... Aug.
The Marketing Bill for Cigarettes ..... Aug.
Meatpackers' Costs for Fresh Beef and Pork ..... Aug.
The Bill for Marketing Farm Food Products ..... Nov.
Costs and Profits in Marketing Farm Products ..... Nov.

Transportation

Grain Shipments Through Great Lakes Ports ..... May
An Analysis of Intrastate Truck Rates on Hauling Raw Cotton in the Southeastern United States ..... May
Interstate Shipments of Fresh Fruits and Vegetables by Rail and Truck ..... May
Trucking Under the Agricultural Exemption ..... May
Farmers and Ranchers Operate 29 Percent of All U.S. Motor Trucks ..... May

Miscellaneous

Output per Man-Hour in Food Manufacturing ..... Feb.
An Analysis of Advertising Expenditures by Corporations Marketing Food and Kindred Products, 1950-64 ..... Aug.
Off-Farm Commercial Storage Facilities for Grain ..... Aug.
Mergers and Acquisitions by Retail Grocery Store Companies, 1959-64 ..... Aug.
Marketing Farm Products--Recent Developments and Outlook ..... Nov.
  Marketing Services and Resources
  Assembling and Wholesaling Farm Products
  Coming Developments in Transportation
  Processing Farm Products
  Distribution of Farm Products

Table 7.--Farm food products: Retail cost and farm value, October-December 1965, July-September 1965, October-December 1964, aod 1957-59 average

Product 1/	Retail unit	Retail cost				Percentage change: Oct.-Dec. 1965 from-		Net farm value 2/				Percentage change Oct.-Dec. 1965 from-	
		Oct.-Dec. 1965	July-Sept. 1965	Oct.-Dec. 1964	1957-59 average	July-Sept. 1965	Oct.-Dec. 1964	Oct.-Dec. 1965	July-Sept. 1965	Oct.-Dec. 1964 3/	1957-59 average	July-Sept. 1965	Oct.-Dec. 1964
		Dollars	Dollars	Dollars	Dollars	Percent	Percent	Dollars	Dollars	Dollars	Dollars	Percent	Percent
Market basket	Average quantities purchased per urban wage-earner and clerical-worker household in 1960-61	1,052.96	3/1,060.85	1,019.42	982.65	-1	3	423.83	3/418.82	379.35	387.87	1	12
Meat products		319.76	319.99	284.71	285.05	4/	12	178.73	176.34	132.57	154.47	1	35
Dairy products		180.27	178.70	179.83	173.33	1	4/	82.33	3/79.59	80.87	77.85	3	2
Poultry and eggs		89.76	86.16	86.08	93.02	4	4	52.70	49.00	48.08	56.28	8	10
Bakery and cereal products 5/													
All ingredients		161.16	160.62	161.14	148.40	4/	4/	33.37	33.14	33.23	30.55	1	4/
Grain		---	---	---	---	---	---	26.18	25.96	25.57	23.40	1	2
All fruits and vegetables		218.15	3/231.49	226.22	202.96	-6	-4	57.43	3/61.71	64.05	50.05	-7	-10
Fresh fruits and vegetables		102.43	3/115.20	107.97	91.15	-11	-5	31.34	3/35.40	36.48	28.70	-11	-14
Fresh fruits		40.31	45.81	43.20	36.26	-12	-7	11.93	12.94	14.30	12.26	-8	-17
Fresh vegetables		62.12	3/ 69.39	64.77	54.89	-10	-4	19.41	3/22.46	22.18	16.44	-14	-12
Processed fruits and vegetables		115.72	116.29	118.25	111.81	4/	-2	26.09	3/26.31	27.57	21.35	-1	-5
Fats and oils		37.49	37.63	35.10	37.56	4/	7	10.71	10.66	11.90	11.19	4/	-10
Miscellaneous products		46.38	46.26	46.34	42.33	4/	4/	8.55	3/8.38	8.65	7.48	2	-1
		Cents	Cents	Cents	Cents	Percent	Percent	Cents	Cents	Cents	Cents	Percent	Percent
Beef, Choice grade	Pound	83.1	84.4	79.3	78.1	-2	5	47.2	48.5	42.5	48.3	-3	11
Lamb, Choice grade	Pound	78.6	81.8	75.5	70.0	-4	4	45.6	46.9	38.5	40.2	-3	18
Pork	Pound	70.7	69.7	57.1	60.5	1	24	43.5	41.3	26.1	31.0	5	67
Butter	Pound	76.6	75.2	75.8	73.2	2	1	56.3	3/54.9	54.4	52.6	3	3
Cheese, American process	½ pound	37.9	37.7	37.2	32.3	1	2	16.0	15.1	15.6	14.2	6	3
Ice cream	½ gallon	78.0	78.2	79.3	84.2	4/	-2	25.6	3/24.7	25.1	23.4	4	2
Milk, evaporated	14½-ounce can	15.2	15.2	15.0	14.5	0	1	6.7	6.4	6.5	6.2	5	3
Milk, fresh													
Home delivered	½ gallon	53.1	52.6	52.8	50.8	1	1	22.6	22.0	22.4	21.9	3	1
Sold in stores	½ gallon	47.8	47.2	48.0	46.6	1	4/	22.6	22.0	22.4	21.9	3	1
Chickens, frying, ready-to-cook	Pound	38.5	40.2	38.2	43.5	-4	1	20.0	21.0	19.4	24.4	-5	3
Eggs, Grade A large	Dozen	59.8	52.3	55.5	56.2	14	8	39.2	32.6	33.9	36.1	20	16
Bread, white													
All ingredients	Pound	20.9	20.8	20.9	18.5	4/	0	3.4	3.4	3.3	3.0	0	3
Wheat	Pound	---	---	---	---	---	---	2.7	2.7	2.7	2.4	0	0
Bread, whole or cracked wheat	Pound	27.1	26.9	26.7	---	1	1	3.1	3.0	3.1	---	3	0
Cookies, sandwich	Pound	50.4	50.6	51.0	---	4/	-1	4.2	4.2	4.4	---	0	-5
Corn flakes	12 ounces	28.8	28.9	29.0	24.5	4/	-1	2.3	2.6	2.4	2.4	-12	-4
Flour, white	5 pounds	57.9	58.1	57.7	53.3	4/	4/	21.5	21.2	20.8	18.8	1	3
Apples	Pound	15.6	20.1	14.6	16.1	-22	7	5.3	5.4	5.0	4.7	-2	6
Grapefruit	Each	13.5	16.6	15.9	10.7	-19	-15	2.6	4.1	3.6	2.7	-37	-28
Lemons	Pound	23.0	22.7	23.1	18.4	1	4/	5.9	5.6	7.0	4.2	5	-16
Oranges	Dozen	80.7	80.5	97.3	66.0	4/	-17	18.6	19.1	30.2	23.2	-3	-38
Cabbage	Pound	8.8	9.2	10.1	8.7	-4	-13	2.4	2.4	3.2	2.4	0	-25
Carrots	Pound	14.9	16.7	15.2	14.5	-11	-2	4.6	5.5	4.0	3.7	-16	15
Celery	Pound	15.7	15.5	15.5	15.3	1	1	5.1	5.1	4.2	4.4	0	21
Cucumbers	Pound	19.0	18.5	23.2	---	3	-18	6.0	6.4	7.0	---	-6	-14
Lettuce	Head	26.7	3/22.8	25.9	22.6	17	3	8.8	7.1	9.3	6.0	24	-5
Onions	Pound	10.4	13.7	10.9	10.1	-24	-5	2.3	4.7	3.1	3.4	-51	-26
Peppers, green	Pound	31.0	3/30.2	30.9	---	3	4/	12.5	8.7	9.7	---	44	29
Potatoes	10 pounds	67.2	99.4	77.0	58.3	-32	-13	19.5	32.3	31.1	17.8	-40	-37
Spinach	10 ounces	29.3	29.4	29.3	---	4/	0	6.3	7.9	5.8	---	-20	9
Tomatoes	Pound	35.5	28.8	31.9	30.1	23	11	13.3	10.5	10.9	10.6	27	22
Peaches, canned	No. 2½ can	31.6	32.1	31.9	34.3	-2	-1	5.4	3/5.2	4.9	6.1	4	10
Pears, canned	No. 2½ can	50.6	46.9	47.9	---	8	6	12.0	10.1	8.1	---	19	48
Beets, canned	No. 303 can	16.7	16.6	16.5	---	1	1	1.1	1.2	1.2	---	-8	-8
Corn, canoed	No. 303 can	20.3	20.1	19.1	17.8	1	6	2.7	3/2.6	2.5	2.4	4	8
Peas, canoed	No. 303 can	24.0	24.0	22.6	21.0	0	6	3.4	3/3.4	3.3	3.1	0	3
Tomatoes, canned	No. 303 can	16.4	16.1	16.0	15.6	2	2	3.4	3/3.0	2.8	2.3	13	21
Orange juice, concentrate, frozen	6-ounce can	21.6	22.0	29.8	23.4	-2	-28	9.7	9.7	15.7	8.2	0	-38
French fried potatoes, frozen	9 ouoces	16.3	17.5	16.2	---	-7	1	3.5	4.8	3.1	---	-27	13
Peas, frozen	10 ounces	20.0	20.4	20.9	19.9	-2	-4	3.5	3/3.5	3.5	3.2	0	0
Beans, oavy	Pound	18.6	17.2	16.7	16.3	8	11	8.6	6.4	7.0	6.9	34	23
Margarine	Pound	27.8	27.9	26.2	27.4	4/	6	7.7	7.8	8.9	7.8	-1	-13
Peanut butter	12-ounce jar	44.9	45.1	44.3	41.4	4/	1	15.2	15.1	15.1	14.1	1	1
Salad and cooking oil	Pint	35.5	35.4	32.1	---	4/	11	8.5	8.3	9.3	---	2	-9
Vegetable shortening	3 pounds	87.1	87.7	80.7	90.4	-1	8	27.5	27.3	31.0	28.2	1	-11
Sugar	5 pounds	59.1	58.9	58.6	54.5	4/	1	21.1	3/21.1	22.7	20.2	0	-7
Spaghetti with sauce, canned	15½-ounce can	15.2	15.1	15.1	---	1	1	2.0	1.9	1.9	---	5	5

1/ Product groups include more items than those listed in this table. For example, in addition to the products listed--Choice beef, lamb, and pork (major products except lard)--the meat products group includes lower grades of beef, the minor edible pork products, and veal.

2/ Gross farm value adjusted to exclude imputed value of byproducts obtained in processing.

3/ Most farm value figures for October-December 1964 have beeo revised; figures io other columns revised as iodicated.

4/ Less thao 0.5 perceot.

5/ For the bakery products group and the iodividual wheat products, the oet farm value for July 1964 to date is based oo the market price of wheat received by farmers plus the cost of the marketing certificate to processors. This cost equals the value of the domestic marketing certificate received by farmers complying fully with the wheat program.

Table 8.--Farm food products: Farm-retail spread and farmer's share of the retail cost, October-December 1965, July-September 1965, October-December 1964, and 1957-59 average

Product 1/	Retail unit	Farm-retail spread 2/						Farmer's share			
		Oct.-Dec. 1965	July-Sept. 1965	Oct.-Dec. 1964 3/	1957-59 average	Percentage change Oct.-Dec. 1965 from- July-Sept. 1965	Percentage change Oct.-Dec. 1965 from- Oct.-Dec. 1964	Oct.-Dec. 1965	July-Sept. 1965	Oct.-Dec. 1964	1957-59 average
		Dollars	Dollars	Dollars	Dollars	Percent	Percent	Percent	Percent	Percent	Percent
Market basket	Average quantities purchased per urban wage-earner and clerical-worker household in 1960-61	629.13	642.03	640.07	594.78	-2	-2	40	39	37	39
Meat products		141.03	143.65	152.14	130.58	-2	-7	56	55	47	54
Dairy products		97.94	99.11	98.96	95.48	-1	-1	46	45	45	45
Poultry and eggs		37.06	37.16	38.00	36.74	4/	-2	59	57	56	61
Bakery and cereal products 5/											
All ingredients		127.79	127.48	127.91	117.85	4/	4/	21	21	21	21
Grain		---	---	---	---	---	---	16	16	16	16
All fruits and vegetables		160.72	169.78	162.17	152.91	-5	-1	26	27	28	25
Fresh fruits and vegetables		71.09	79.80	71.49	62.45	-11	-1	31	31	34	31
Fresh fruits		28.38	32.87	28.90	24.00	-14	-2	30	28	33	34
Fresh vegetables		42.71	46.93	42.59	38.45	-9	4/	31	32	34	30
Processed fruits and vegetables		89.63	89.98	90.68	90.46	4/	-1	23	23	23	19
Fats and oils		26.78	26.97	23.20	26.37	-1	15	29	28	34	30
Miscellaneous products		37.83	37.88	37.69	34.85	4/	4/	18	18	19	18
		Cents	Cents	Cents	Cents	Percent	Percent	Percent	Percent	Percent	Percent
Beef, Choice grade	Pound	35.9	35.9	36.8	29.8	0	-2	57	57	54	62
Lamb, Choice grade	Pound	33.0	34.9	37.0	29.8	-5	-11	58	57	51	57
Pork	Pound	27.2	28.4	31.0	29.5	-4	-12	62	59	46	51
Butter	Pound	20.3	20.3	21.4	20.6	0	-5	73	73	72	72
Cheese, American process	½ pound	21.9	22.6	21.6	18.1	-3	1	42	40	42	44
Ice cream	½ gallon	52.4	53.5	54.2	60.8	-2	-3	33	32	32	28
Milk, evaporated	14½-ounce can	8.5	8.8	8.5	8.3	-3	0	44	42	43	43
Milk, fresh											
Home delivered	½ gallon	30.5	30.6	30.4	28.9	4/	4/	43	42	42	43
Sold in stores	½ gallon	25.2	25.2	25.6	24.7	0	-2	47	47	47	47
Chickens, frying, ready-to-cook	Pound	18.5	19.2	18.8	19.1	-4	-2	52	52	51	56
Eggs, Grade A large	Dozen	20.6	19.7	21.6	20.1	5	-5	66	62	61	64
Bread, white											
All ingredients	Pound	17.5	17.4	17.6	15.5	1	-1	16	16	16	16
Wheat	Pound	---	---	---	---	---	---	13	13	13	13
Bread, whole or cracked wheat	Pound	24.0	23.9	23.6	---	4/	2	11	11	12	---
Cookies, sandwich	Pound	46.2	46.4	46.6	---	4/	-1	8	8	9	---
Corn flakes	12 ounces	26.5	26.3	26.6	22.1	1	4/	8	9	8	10
Flour, white	5 pounds	36.4	36.9	36.9	34.5	-1	-1	37	36	36	35
Apples	Pound	10.3	14.7	9.6	11.4	-30	7	34	27	34	29
Grapefruit	Each	10.9	12.5	12.3	8.0	-13	-11	19	25	23	25
Lemons	Pound	17.1	17.1	16.1	14.2	0	6	26	25	30	23
Oranges	Dozen	62.1	61.4	67.1	42.8	1	-7	23	24	31	35
Cabbage	Pound	6.4	6.8	6.9	6.3	-6	-7	27	26	32	28
Carrots	Pound	10.3	11.2	11.2	10.8	-8	-8	31	33	26	26
Celery	Pound	10.6	10.4	11.3	10.9	2	-6	32	33	27	29
Cucumbers	Pound	13.0	12.1	16.2	---	7	-20	32	35	30	---
Lettuce	Head	17.9	15.7	16.6	16.6	14	8	33	31	36	27
Onions	Pound	8.1	9.0	7.8	6.7	-10	4	22	34	28	34
Peppers, green	Pound	18.5	21.5	21.2	---	-14	-13	40	29	31	---
Potatoes	10 pounds	47.7	67.1	45.9	40.5	-29	4	29	32	40	31
Spinach	10 ounces	23.0	21.5	23.5	---	7	-2	22	27	20	---
Tomatoes	Pound	22.2	18.3	21.0	19.5	21	6	37	36	34	35
Peaches, canned	No. 2½ can	26.2	26.9	27.0	28.2	-3	3	17	16	15	18
Pears, canned	No. 2½ can	38.6	36.8	39.8	---	5	-3	24	22	17	---
Beets, canned	No. 303 can	15.6	15.4	15.3	---	1	2	7	7	7	---
Corn, canned	No. 303 can	17.6	17.5	16.6	15.4	1	6	13	13	13	13
Peas, canned	No. 303 can	20.6	20.6	19.3	17.9	0	7	14	14	15	15
Tomatoes, canned	No. 303 can	13.0	13.1	13.2	13.3	-1	-2	21	19	18	15
Orange juice, concentrate, frozen	6-ounce can	11.9	12.3	14.1	15.2	-3	-16	45	44	53	35
French fried potatoes, frozen	9 ounces	12.8	12.7	13.1	---	1	-2	21	27	19	---
Peas, frozen	10 ounces	16.5	16.9	17.4	16.7	-2	-5	18	17	17	16
Beans, navy	Pound	10.0	10.8	9.7	9.4	-7	3	46	37	42	42
Margarine	Pound	20.1	20.1	17.3	19.6	0	16	28	28	34	28
Peanut butter	12-ounce jar	29.7	30.0	29.2	27.3	-1	2	34	33	34	34
Salad and cooking oil	Pint	27.0	27.1	22.8	---	4/	18	24	23	29	---
Vegetable shortening	3 pounds	59.6	60.4	49.7	62.2	-1	20	32	31	38	31
Sugar	5 pounds	38.0	37.8	35.9	34.3	1	6	36	36	39	37
Spaghetti with sauce, canned	15½-ounce can	13.2	13.2	13.2	---	0	0	13	13	13	---

1/ Product groups include more items than those listed in this table. For example, in addition to the products listed--Choice beef, lamb, and pork (major products except lard)--the meat products group includes lower gradea of beef, the minor edible pork products, and veal.

2/ The farm-retail spread is the difference between the retail cost and the net farm value shown in table on opposite page.

3/ Most farm-retail spread and farmer's share figures for October-December 1964 have been revised; figures in other columns revised as indicated.

4/ Less than 0.5 percent.

5/ For the bakery products group and the individual wheat products, the farmer's share for July 1964 to date is based on the market price of wheat received by farmers plus the cost of the marketing certificate to processors. This cost equals the value of the domestic marketing certificate received by farmers complying fully with the Wheat Program.

Table 9.--Farm food products: Retail cost, farm value of equivalent quantities sold by producers, byproduct allowance, farm-retail spread, and farmer's share of retail cost, October-December 1965

Product 1/	Farm equivalent	Retail unit	Retail cost	Gross farm value	Byproduct allowance	Net farm value 2/	Farm-retail spread	Farmer's share
			Dollars	Dollars	Dollars	Dollars	Dollars	Percent
Market basket	Farm produce equivalent to products bought per urban wage-earner and clerical-worker household in 1960-61	Average quantities purchased per urban wage-earner and clerical-worker household in 1960-61	1,052.96	---	---	423.83	629.13	40
Meat products			319.76	---	---	178.73	141.03	56
Dairy products			180.27	---	---	82.33	97.94	46
Poultry and eggs			89.76	---	---	52.70	37.06	59
Bakery and cereal products 3/								
All ingredients			161.16	---	---	33.37	127.79	21
Grain			---	31.29	5.11	26.18	---	16
All fruits and vegetables			218.15	---	---	57.43	160.72	26
Fresh fruits and vegetables			102.43	---	---	31.34	71.09	31
Fresh fruits			40.31	---	---	11.93	28.38	30
Fresh vegetables			62.12	---	---	19.41	42.71	31
Processed fruits and vegetables			115.72	---	---	26.09	89.63	23
Fats and oils			37.49	---	---	10.71	26.78	29
Miscellaneous products			46.38	---	---	8.55	37.83	18
			Cents	Cents	Cents	Cents	Cents	Percent
Beef, Choice grade	2.25 lb. Choice grade cattle	Pound	83.1	52.5	5.3	47.2	35.9	57
Lamb, Choice grade	2.37 lb. lamb	Pound	78.6	54.1	8.5	45.6	33.0	58
Pork	2.00 lb. hogs	Pound	70.7	49.9	6.4	43.5	27.2	62
Butter	Cream and whole milk	Pound	76.6	---	---	56.3	20.3	73
Cheese, American process	Milk for American cheese	½ pound	37.9	---	---	16.0	21.9	42
Ice cream	Cream, milk, and sugar	½ gallon	78.0	---	---	25.6	52.4	33
Milk, evaporated	Milk for evaporating	14½-ounce can	15.2	---	---	6.7	8.5	44
Milk, fresh								
Home delivered	4.39 lb. Class I milk	½ gallon	53.1	---	---	22.6	30.5	43
Sold in stores	4.39 lb. Class I milk	½ gallon	47.8	---	---	22.6	25.2	47
Chickens, frying, ready-to-cook	1.37 lb. broiler	Pound	38.5	---	---	20.0	18.5	52
Eggs, Grade A large	1.03 dozen	Dozen	59.8	---	---	39.2	20.6	66
Bread, white								
All ingredients	Wheat and other ingredients	Pound	20.9	---	---	3.4	17.5	16
Wheat	.877 lb. wheat	Pound	---	3.1	.4	2.7	---	13
Bread, whole or cracked wheat	Wheat and other ingredients	Pound	27.1	---	---	3.1	24.0	11
Cookies, sandwich	Wheat and other ingredients	Pound	50.4	---	---	4.2	46.2	8
Corn flakes	2.87 lb. yellow corn	12 ounces	28.8	4/5.5	4/3.2	4/2.3	26.5	8
Flour, white	6.8 lb. wheat	5 pounds	57.9	24.2	2.7	21.5	36.4	37
Apples	1.04 lb. apples	Pound	15.6	---	---	5.3	10.3	34
Grapefruit	1.03 grapefruit	Each	13.5	---	---	2.6	10.9	19
Lemons	1.04 lb. lemons	Pound	23.0	---	---	5.9	17.1	26
Oranges	1.03 doz. oranges	Dozen	80.7	---	---	18.6	62.1	23
Cabbage	1.08 lb. cabbage	Pound	8.8	---	---	2.4	6.4	27
Carrots	1.03 lb. carrots	Pound	14.9	---	---	4.6	10.3	31
Celery	1.08 lb. celery	Pound	15.7	---	---	5.1	10.6	32
Cucumbers	1.09 lb. cucumbers	Pound	19.0	---	---	6.0	13.0	32
Lettuce	1.88 lb. lettuce	Head	26.7	---	---	8.8	17.9	33
Onions	1.06 lb. onions	Pound	10.4	---	---	2.3	8.1	22
Peppers, green	1.09 lb. peppers	Pound	31.0	---	---	12.5	18.5	40
Potatoes	10.42 lb. potatoes	10 pounds	67.2	---	---	19.5	47.7	29
Spinach	.71 lb. spinach	10 ounces	29.3	---	---	6.3	23.0	22
Tomatoes	1.18 lb. tomatoes	Pound	35.5	---	---	13.3	22.2	37
Peaches, canned	1.60 lb. Calif. cling peaches	No. 2½ can	31.6	---	---	5.4	26.2	17
Pears, canned	1.85 lb. pears for canning	No. 2½ can	50.6	---	---	12.0	38.6	24
Beets, canned	1.24 lb. beets for canning	No. 303 can	16.7	---	---	1.1	15.6	7
Corn, canned	2.495 lb. sweet corn	No. 303 can	20.3	---	---	2.7	17.6	13
Peas, canned	.69 lb. peas for canning	No. 303 can	24.0	---	---	3.4	20.6	14
Tomatoes, canned	1.84 lb. tomatoes for canning	No. 303 can	16.4	---	---	3.4	13.0	21
Orange juice, concentrate, frozen	2.58 lb. oranges	6-ounce can	21.6	---	---	9.7	11.9	45
French fried potatoes, frozen	1.38 lb. potatoes	9 ounces	16.3	---	---	3.5	12.8	21
Peas, frozen	.70 lb. peas for freezing	10 ounces	20.0	---	---	3.5	16.5	18
Beans, navy	1.00 lb. Mich. dry beans	Pound	18.6	---	---	8.6	10.0	46
Margarine	Soybeans, cottonseed, and milk	Pound	27.8	---	---	7.7	20.1	28
Peanut butter	1.33 lb. peanuts	12-ounce jar	44.9	---	---	15.2	29.7	34
Salad and cooking oil	Soybeans, cottonseed, and corn	Pint	35.5	---	---	8.5	27.0	24
Vegetable shortening	Soybeans and cottonseed	3 pounds	87.1	---	---	27.5	59.6	32
Sugar	Sugar beets and cane	5 pounds	59.1	22.5	1.4	5/21.1	5/38.0	5/36
Spaghetti with sauce, canned	Wheat, tomatoes, cheese, sugar	15½-ounce can	15.2	---	---	2.0	13.2	13

1/ Product groups include more items than those listed in this table. For example, in addition to the products listed--Choice beef, lamb, and pork (major products except lard)--the meat products group includes lower grades of beef, the minor edible pork products, and veal.

2/ Gross farm value adjusted to exclude imputed values of byproducts obtained in processing.

3/ For the bakery and cereal products group and the individual wheat products, gross farm value, byproduct allowance, net farm value, and farmer's share are based on the market price of wheat received by farmers plus 75 cents per bushel, the cost of the marketing certificate to millers and the value of the domestic marketing certificate received by farmers complying fully with the Wheat Program.

4/ Based on market price of corn received by farmers; no allowance made for price support payment received by farmers who comply with the Federal Feed Grain Program.

5/ Net farm value adjusted for Government payments to producers was 24.9 cents, farm-retail spread adjusted for Government processor tax was 35.3 cents, and farmer's share of retail cost based on adjusted farm value was 42 percent.

Table 10.--The farm food market basket: Revised quarterly data for 1964

Item and period	Retail cost	Gross farm value	Net farm value	Farm-retail spread	Farmer's share
	Dollars	Dollars	Dollars	Dollars	Percent
Market basket:					
Jan.-Mar.	---	---	371.73	639.04	---
Apr.-June	---	---	360.58	643.41	---
July-Sept.	---	---	383.75	639.98	---
Meat products:					
Jan.-Mar.	---	---	134.35	144.17	---
Apr.-June	273.36	---	---	144.23	---
Dairy products:					
Jan.-Mar.	---	---	79.47	99.83	---
Apr.-June	---	---	76.11	101.87	---
Poultry and eggs:					
Jan.-Mar.	---	---	49.37	36.98	---
Bakery and cereal products: (all ingredients)					
Jan.-Mar.	---	---	32.17	126.43	---
Bakery and cereal products: (grain)					
Apr.-June	---	27.14	22.70	---	---
All fruits and vegetables:					
Jan.-Mar.	---	---	58.18	167.30	---
Apr.-June	---	---	63.07	168.61	---
July-Sept.	---	---	62.53	172.07	---
Fresh fruits and vegetables:					
Jan.-Mar.	---	---	34.95	69.12	34
Apr.-June	---	---	37.08	73.39	34
Fresh fruits:					
Jan.-Mar.	---	---	13.48	26.34	34
Apr.-June	---	---	16.58	29.40	---
Processed fruits and vegetables:					
Jan.-Mar.	---	---	23.23	98.18	---
Apr.-June	---	---	25.98	95.23	---
July-Sept.	119.86	---	---	93.73	---
Miscellaneous products:					
July-Sept.	---	---	8.87	37.67	---
	Cents	Cents	Cents	Cents	Percent
Butter:					
Jan.-Mar.	---	---	52.7	21.1	---
Ice cream:					
Jan.-Mar.	---	---	24.7	56.7	---
Chickens, frying, ready-to-cook:					
Jan.-Mar.	---	---	19.5	18.0	---
Lemons:					
Apr.-June	---	---	4.2	16.4	20
Oranges:					
Jan.-Mar.	---	---	26.9	51.4	34
Apr.-June	---	---	27.4	56.1	33
Potatoes:					
Apr.-June	---	---	32.4	43.5	43
Sugar: 1/					
Jan.-Mar.	---	25.8	---	---	---
Apr.-June	---	25.8	---	---	---
July-Sept.	---	25.8	---	---	---

1/ Revised net farm value adjusted for Government payments to producers: Jan.-Mar. 27.9; Apr.-June 27.9; July-Sept. 27.9; farm-retail spread adjusted for Government processor tax: Jan.-Mar. 44.4; Apr.-June 38.8; July-Sept. 33.3; farmer's share of retail cost based on adjusted farm value: Jan.-Mar. 39 percent; Apr.-June 42 percent; and July-Sept. 46 percent.

Table 11.--Farm food products: Retail cost, farm value of equivalent quantities sold by producers, byproduct allowance, farm-retail spread, and farmer's share of retail cost, annual 1964

Product 1/	Farm equivalent	Retail unit	Retail cost	Gross farm value	Byproduct allowance	Net farm value 2/	Farm-retail spread	Farmer's share
			Dollars	Dollars	Dollars	Dollars	Dollars	Percent
Market basket	Farm produce equivalent to products bought per urban wage-earner and clerical-worker household in 1960-61	Average quantities purchased per urban wage-earner and clerical-worker household in 1960-61	1,014.48	---	---	373.85	640.63	37
Meat products			280.26	---	---	134.54	145.72	48
Dairy products			178.92	---	---	78.70	100.22	44
Poultry and eggs			84.51	---	---	47.48	37.03	56
Bakery and cereal products 3/								
All ingredients			159.64	---	---	32.25	127.39	20
Grain			---	29.44	4.79	24.65	---	15
All fruits and vegetables			229.50	---	---	61.94	167.56	27
Fresh fruits and vegetables			109.31	---	---	36.22	73.09	33
Fresh fruits			44.53	---	---	15.00	29.53	34
Fresh vegetables			64.78	---	---	21.22	43.56	33
Processed fruits and vegetables			120.19	---	---	25.72	94.47	21
Fats and oils			34.78	---	---	10.20	24.58	29
Miscellaneous products			46.87	---	---	8.74	38.13	19
			Cents	Cents	Cents	Cents	Cents	Percent
Beef, Choice grade	2.25 lb. Choice grade cattle	Pound	77.8	46.6	4.2	42.4	35.4	54
Lamb, Choice grade	2.35 lb. lamb	Pound	73.6	46.8	7.1	39.7	33.9	54
Pork	2.00 lb. hogs	Pound	56.4	30.7	4.0	26.7	29.7	47
Butter	Cream and whole milk	Pound	74.4	---	---	53.1	21.3	71
Cheese, American process	Milk for American cheese	½ pound	36.7	---	---	15.1	21.6	41
Ice cream	Cream, milk, and sugar	½ gallon	80.4	---	---	24.6	55.8	31
Milk, evaporated	Milk for evaporating	14½-ounce can	14.9	---	---	6.4	8.5	43
Milk, fresh								
Home delivered	4.39 lb. Class I milk	½ gallon	52.8	---	---	21.8	31.0	41
Sold in stores	4.39 lb. Class I milk	½ gallon	47.7	---	---	21.8	25.9	46
Chickens, frying, ready-to-cook	1.37 lb. broiler	Pound	37.8	---	---	19.5	18.3	52
Eggs, Grade A large	1.03 dozen	Dozen	53.9	---	---	32.9	21.0	61
Bread, white								
All ingredients	Wheat and other ingredients	Pound	20.7	---	---	3.2	17.5	15
Wheat	.877 lb. wheat	Pound	---	2.8	.3	2.5	---	12
Bread, whole or cracked wheat	Wheat and other ingredients	Pound	26.3	---	---	2.9	23.4	11
Cookies, sandwich	Wheat and other ingredients	Pound	51.0	---	---	4.2	46.8	8
Corn flakes	2.87 lb. yellow corn	12 ounces	28.6	4/5.9	4/3.4	4/2.5	26.1	9
Flour, white	6.8 lb. wheat	5 pounds	56.7	22.2	2.3	19.8	36.9	35
Apples	1.04 lb. apples	Pound	17.7	---	---	5.4	12.3	31
Grapefruit	1.03 grapefruit	Each	15.6	---	---	4.3	11.3	28
Lemons	1.04 lb. lemons	Pound	21.2	---	---	5.3	15.9	25
Oranges	1.03 doz. oranges	Dozen	88.1	---	---	29.3	58.8	33
Cabbage	1.08 lb. cabbage	Pound	10.3	---	---	2.8	7.5	27
Carrots	1.03 lb. carrots	Pound	14.9	---	---	3.4	11.5	23
Celery	1.08 lb. celery	Pound	15.7	---	---	4.9	10.8	31
Cucumbers	1.09 lb. cucumbers	Pound	23.8	---	---	8.8	15.0	37
Lettuce	1.88 lb. lettuce	Head	24.6	---	---	8.4	16.2	34
Onions	1.06 lb. onions	Pound	11.2	---	---	3.2	8.0	29
Peppers, green	1.09 lb. peppers	Pound	34.5	---	---	11.4	23.1	33
Potatoes	10.42 lb. potatoes	10 pounds	75.7	---	---	27.7	48.0	37
Spinach	.71 lb. spinach	10 ounces	28.4	---	---	5.3	23.1	19
Tomatoes	1.18 lb. tomatoes	Pound	33.2	---	---	11.2	22.0	34
Peaches, canned	1.60 lb. Calif. cling peaches	No. 2½ can	33.2	---	---	4.7	28.5	14
Pears, canned	1.85 lb. pears for canning	No. 2½ can	49.2	---	---	9.4	39.8	19
Beets, canned	1.24 lb. beets for canning	No. 303 can	16.7	---	---	1.1	15.6	7
Corn, canned	2.495 lb. sweet corn	No. 303 can	19.0	---	---	2.4	16.6	13
Peas, canned	.69 lb. peas for canning	No. 303 can	22.7	---	---	3.1	19.6	14
Tomatoes, canned	1.84 lb. tomatoes for canning	No. 303 can	16.0	---	---	2.6	13.4	16
Orange juice, concentrate, frozen	2.72 lb. oranges	6-ounce can	31.0	---	---	14.9	16.1	48
French fried potatoes, frozen	1.38 lb. potatoes	9 ounces	16.6	---	---	2.4	14.2	14
Peas, frozen	.70 lb. peas for freezing	10 ounces	21.0	---	---	3.2	17.8	15
Beans, navy	1.00 lb. Mich. dry beans	Pound	16.7	---	---	6.6	10.1	40
Margarine	Soybeans, cottonseed, and milk	Pound	26.0	---	---	7.4	18.6	28
Peanut butter	1.33 lb. peanuts	12-ounce jar	43.8	---	---	15.0	28.8	34
Salad and cooking oil	Soybeans, cottonseed, and corn	Pint	32.0	---	---	7.9	24.1	25
Vegetable shortening	Soybeans and cottonseed	3 pounds	79.1	---	---	26.0	53.1	33
Sugar	Sugar beets and cane	5 pounds	64.0	25.4	1.5	5/23.9	5/40.1	5/37
Spaghetti with sauce, canned	Wheat, tomatoes, cheese, sugar	15½-ounce can	15.1	---	---	1.8	13.3	12

1/ Product groups include more items than those listed in this table. For example, in addition to the products listed--Choice beef, lamb, and pork (major products except lard)--the meat products group includes lower grades of beef, the minor edible pork products, and veal.

2/ Gross farm value adjusted to exclude imputed values of byproducts obtained in processing.

3/ For the bakery and cereal products group and the individual wheat products, gross farm value, net farm value, and farmer's share in the second part of the year, are based on price of wheat received by farmers plus 70 cents per bushel, the cost of the marketing certificate to millers and the value of the domestic marketing certificate received by farmers complying fully with the 1964 Wheat Program.

4/ Based on market price of corn received by farmers; no allowance made for price support payment received by farmers who comply with the Federal Feed Grain Program.

5/ Net farm value adjusted for Government payments to producers was 27.5 cents, farm-retail spread adjusted for Government processor tax was 37.4 cents, and the farmer's share of retail cost based on adjusted farm value was 43 percent.

Table 12.--Farm food products: Retail cost, farm value of equivalent quantities sold by producers, byproduct allowance, farm-retail spread, and farmer's share of retail cost, annual 1965

Product 1/	Farm equivalent	Retail unit	Retail cost	Gross farm value	Byproduct allowance	Net farm value 2/	Farm-retail spread	Farmer's share
			Dollars	Dollars	Dollars	Dollars	Dollars	Percent
Market basket	Farm produce equivalent to products bought per urban wage-earner and clerical-worker household in 1960-61	Average quantities purchased per urban wage-earner and clerical-worker household in 1960-61	1,041.72	---	---	409.02	632.70	39
Meat products			303.56	---	---	164.76	138.80	54
Dairy products			179.06	---	---	79.64	99.42	44
Poultry and eggs			85.09	---	---	48.43	36.66	57
Bakery and cereal products 3/								
All ingredients			160.92	---	---	33.06	127.86	21
Grain			---	30.99	5.21	25.78	---	16
All fruits and vegetables			229.37	---	---	63.26	166.11	28
Fresh fruits and vegetables			112.89	---	---	37.01	75.88	33
Fresh fruits			42.27	---	---	12.57	29.70	30
Fresh vegetables			70.62	---	---	24.44	46.18	35
Processed fruits and vegetables			116.48	---	---	26.25	90.23	23
Fats and oils			37.48	---	---	11.48	26.00	31
Miscellaneous products			46.24	---	---	8.39	37.85	18
			Cents	Cents	Cents	Cents	Cents	Percent
Beef, Choice grade	2.25 lb. Choice grade cattle	Pound	81.7	51.8	4.9	46.9	34.8	57
Lamb, Choice grade	2.35 lb. lamb	Pound	78.6	53.2	7.9	45.3	33.3	58
Pork	2.00 lb. hogs	Pound	64.3	42.6	5.5	37.1	27.2	58
Butter	Cream and whole milk	Pound	75.4	---	---	54.8	20.6	73
Cheese, American process	Milk for American cheese	½ pound	37.7	---	---	15.4	22.3	41
Ice cream	Cream, milk, and sugar	½ gallon	78.7	---	---	24.9	53.8	32
Milk, evaporated	Milk for evaporating	14½-ounce can	15.2	---	---	6.5	8.7	43
Milk, fresh								
Home delivered	4.39 lb. Class I milk	½ gallon	52.6	---	---	21.8	30.8	41
Sold in stores	4.39 lb. Class I milk	½ gallon	47.3	---	---	21.8	25.5	46
Chickens, frying, ready-to-cook	1.37 lb. broiler	Pound	39.0	---	---	20.7	18.3	53
Eggs, Grade A large	1.03 dozen	Dozen	52.7	---	---	32.2	20.5	61
Bread, white								
All ingredients	Wheat and other ingredients	Pound	20.9	---	---	3.3	17.6	16
Wheat	.877 lb. wheat	Pound	---	3.0	.3	2.7	---	13
Bread, whole or cracked wheat	Wheat and other ingredients	Pound	26.9	---	---	3.0	23.9	11
Cookies, sandwich	Wheat and other ingredients	Pound	50.7	---	---	4.2	46.5	8
Corn flakes	2.87 lb. yellow corn	12 ounces	28.9	4/6.1	4/3.5	4/2.6	26.3	9
Flour, white	6.8 lb. wheat	5 pounds	58.1	23.6	2.7	20.9	37.2	36
Apples	1.04 lb. apples	Pound	17.8	---	---	5.5	12.3	31
Grapefruit	1.03 grapefruit	Each	14.1	---	---	3.0	11.1	21
Lemons	1.04 lb. lemons	Pound	23.6	---	---	6.4	17.2	27
Oranges	1.03 doz. oranges	Dozen	77.8	---	---	19.2	58.6	25
Cabbage	1.08 lb. cabbage	Pound	10.4	---	---	3.1	7.3	30
Carrots	1.03 lb. carrots	Pound	15.3	---	---	4.6	10.7	30
Celery	1.08 lb. celery	Pound	15.6	---	---	4.9	10.7	31
Cucumbers	1.09 lb. cucumbers	Pound	22.0	---	---	7.0	15.0	32
Lettuce	1.88 lb. lettuce	Head	25.5	---	---	8.8	16.7	35
Onions	1.06 lb. onions	Pound	11.9	---	---	3.7	8.2	31
Peppers, green	1.09 lb. peppers	Pound	34.5	---	---	11.8	22.7	34
Potatoes	10.42 lb. potatoes	10 pounds	93.7	---	---	35.9	57.8	38
Spinach	.71 lb. spinach	10 ounces	29.1	---	---	6.2	22.9	21
Tomatoes	1.18 lb. tomatoes	Pound	34.3	---	---	12.1	22.2	35
Peaches, canned	1.60 lb. Calif. cling peaches	No. 2½ can	31.9	---	---	5.1	26.8	16
Pears, canned	1.85 lb. pears for canning	No. 2½ can	47.0	---	---	9.6	37.4	20
Beets, canned	1.24 lb. beets for canning	No. 303 can	16.6	---	---	1.2	15.4	7
Corn, canned	2.495 lb. sweet corn	No. 303 can	20.0	---	---	2.6	17.4	13
Peas, canned	.69 lb. peas for canning	No. 303 can	23.7	---	---	3.4	20.3	14
Tomatoes, canned	1.84 lb. tomatoes for canning	No. 303 can	16.1	---	---	3.0	13.1	19
Orange juice, concentrate, frozen	2.63 lb. oranges	6-ounce can	23.7	---	---	10.6	13.1	45
French fried potatoes, frozen	1.38 lb. potatoes	9 ounces	17.0	---	---	4.2	12.8	25
Peas, frozen	.70 lb. peas for freezing	10 ounces	20.4	---	---	3.5	16.9	17
Beans, navy	1.00 lb. Mich. dry beans	Pound	17.5	---	---	7.0	10.5	40
Margarine	Soybeans, cottonseed, and milk	Pound	27.9	---	---	8.5	19.4	30
Peanut butter	1.33 lb. peanuts	12-ounce jar	44.9	---	---	15.3	29.6	34
Salad and cooking oil	Soybeans, cottonseed, and corn	Pint	34.9	---	---	9.0	25.9	26
Vegetable shortening	Soybeans and cottonseed	3 pounds	87.9	---	---	29.7	58.2	34
Sugar	Sugar beets and cane	5 pounds	59.0	22.4	1.3	5/21.1	5/37.9	5/36
Spaghetti with sauce, canned	Wheat, tomatoes, cheese, sugar	15½-ounce can	15.1	---	---	1.9	13.2	13

1/ Product groups include more items than those listed in this table. For example, in addition to the products listed--Choice beef, lamb, and pork (major products except lard)--the meat products group includes lower grades of beef, the minor edible pork products, and veal.

2/ Gross farm value adjusted to exclude imputed values of byproducts obtained in processing.

3/ For the bakery products group and the individual wheat products, gross farm value, byproduct allowance, net farm value, and farmer's share are based on the price of wheat received by farmers plus the cost of the marketing certificate to millers. This cost equals the value of the domestic marketing certificate received by farmers complying fully with the Wheat Program.

4/ Based on market price of corn received by farmers; no allowance made for price support payment received by farmers who comply with the Federal Feed Grain Program.

5/ Net farm value adjusted for Government payments to producers was 24.9 cents, farm-retail spread adjusted for Government processor tax was 35.2 cents, and farmer's share of retail cost based on adjusted farm value was 42 percent.

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